هكذا من الأصل

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 28,168 Friday May 16 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 22; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Sadat again suspends talks

Egypt last night reversed its decision to resume talks with Israel on Palestinian autonomy.

The move came in response to a new Israeli law which reaffirms that Jerusalem, including the occupied Arab sector, would remain united under Israeli sovereignty.

President Sadat announced on Wednesday that after a personal appeal from President Carter he had agreed to resume the talks he had earlier suspended because of lack of progress. Back Page: Sadat promise, Page 4

IRA bomb theory

Scotland Yard's anti-terrorist squad believes the booby-trapped torch bomb which caused the South London police station blast in which a young constable lost a hand could have been made by a terrorist unit like the IRA.

Forest ablaze

Army and RAF teams may be called in to help fight another big fire sweeping through a North Wales pine forest. Firemen in Snowdonia National Park was "utterly out of control."

Optical charges

Government may increase existing optical charges to replace the £11m lost as a result of its decision, under backbench pressure, not to introduce a £2 sight testing fee in April. Parliament, Page 12

Sentence cut

Cynthia Payne who was jailed for 18 months for keeping a disorderly house in the "luncheon voucher brothel" case had her sentence cut to six months by the Appeal Court.

Seoul clash

South Korean troops backed with armoured cars sealed off government buildings in Seoul as 50,000 students demanding democratic reforms fought pitched battles with police for the third day. Page 4

Americans held

Two Americans were arrested in Tripoli and accused of spying by the Libyan People's Committee for Justice. Page 4

Tax frauds

Suspected tax frauds involving millions of pounds are not being investigated because of Inland Revenue staff shortages, according to the civil service union CPSA. Page 10

Greenpeace fined

Greenpeace, the environmental action group, and three of its directors were fined a total of £800 in the High Court after admitting trying to stop a nuclear waste ship docking at Borrow-in-Furness in March in breach of a court order.

Briefly . . .

China has declared Saturday a day of morning for the late disgraced Chinese President Liu Shaoqi.

Gunmen killed two policemen and seriously wounded a third in a bar in San Sebastian, Spain.

Weather will remain dry for the next week, and it will be very warm in June, said the Met. Office. Weather, Back Page

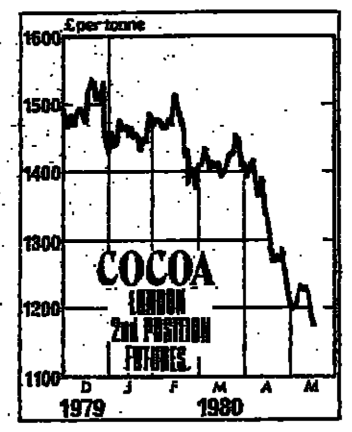
BUSINESS

Sterling up 1.2c; Gold off $7

● STERLING closed 1.2c higher at $2.3005, its best since February 14, after Mrs. Thatcher's interest rate warning. Its trade-weighted index was 73.5 (73.1). DOLLAR'S index was 85.3 (85.2) Page 35

● GOLD lost $7 in London to close at $518.5. Page 35

● COCOA: The London July futures position dipped to £1,160, the lowest since July 1976, before rallying to close £11 off at £1,174 a tonne. Page 39



● EQUITIES drifted lower in thin trading, and the FT 30-share index dropped 2.2 to 437.8. Page 40

● GILTS eased and the Government Securities index closed 0.17 off at 67.67. Page 40

● WALL STREET was up 4.61 at 824.23 near the close. Page 38

● MIDLAND BANK is starting an advertising campaign to persuade more working class people to open bank accounts. Back Page

● CHINA gained membership of the World Bank and two of its affiliates, the International Development Association and the International Finance Corporation.

● EUROPEAN Options Exchange expects to break even by the end of next year. Its backer, the Amsterdam Stock Exchange, agreed to continue to meet operating losses in 1980. Page 33

● LIFE ASSURANCE companies report a 45 per cent advance to £178m in new annual premiums for individual assurance and annuities in the first quarter of 1980. Page 10

● GOVERNMENT plans to halve the maximum rates chargeable on empty business properties. Page 8

● ICI manual workers will be recommended to accept a deal said by union negotiators to lift pay by 21 per cent.

COMPANIES

● LIGGETT directors are reported to have told Grand Metropolitan that they were pleased with Grand Met's increased bid of $570m (£247.77m) Back Page and Lex

● SANTA FE Industries and Southern Pacific proposed terms for a $1bn merger which would create one of the biggest U.S. railroad systems. Back Page

● INTERNATIONAL Harvester, the U.S. farm machinery group, reports a net loss of $229.5m (£99.78m) in the second quarter, against a profit of $95.3m.

● TRAFALGAR HOUSE first-half pre-tax profits rose from £16.32m to £19.34m. Interim dividend is stepped up to 2.5p (2.11p). Page 24 and Lex, Back Page

● NEWMAN INDUSTRIES' former chairman, Alan Bartlett, has told shareholders he will appeal against the High Court judgment that led to his dismissal. Back Page; Company report, Page 24

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Alpine Hldgs.	71	+ 4	Excheq. 3pc 1984	£72½	− ¼
Bilton (P.)	310	+ 15	Arrow Chemicals	76	− 4
Currys	178	+ 9	Bass	232	− 4
European Ferries	135	+ 8	Berisford (S. W.)	136	− 6
Holt Lloyd Intnl.	239	+ 17	British Sugar	198	− 8
Ntnl. Carbonising	118	+ 6	General Accident	242	− 14
Neil and Spencer	111	+ 5	Grand Met.	121	− 3
Pauls and Whites	125	+ 4	Harris Queensway	177	− 6
Sothebys	473	+ 11	ICI	390	− 4
Utd. Scientific	515	+ 12	Imperial Group	76½	− 2
Century Oils	160	+ 14	Newman Inds.	42	− 9
Anglo Utd. Devs.	180	+ 25	Royal Insurance	330	− 15
Ashton Mining	182	+ 6	Sun Alliance	578	− 12
Cnt. Pacific Mins.	£24½	+ 1½	York Trailer	22	− 3
Conzinc Riotinto	254	+ 6	Berkeley Expln.	00	− 10
Doornfontein	588	+ 41	BP	344	− 10
Gopeng	390	+ 15	Tricentrol	356	− 10
Killinghall Tin	450	+ 10			
Northern Mining	122	+ 4			
Sthrn. Pacific Pets.	925	+ 50			
West Driefontein	£35	+ 1½			
Western Mining	211	+ 9			
Westfield Minerals	155	+ 15			

Money supply rate within target but no change in MLR

BY DAVID MARSH

THE RATE of growth of the money supply has come down to within the Government's target range. But official figures published yesterday showed that bank lending hit a record last month.

Mrs. Margaret Thatcher made clear in the Commons that the minimum lending rate would not come down as long as loan demand continued at its present high level.

MLR has been pegged at a record 17 per cent for six months, the longest period since 1972 in which UK leading interest rate has been kept unchanged.

The likelihood that a cut will be delayed until well into the summer helped boost sterling on the foreign exchanges yesterday.

It rose to $2.3005 from Wednesday's $2.2885, its highest against the dollar for three months.

Buttressed by increasing North Sea oil revenues and high UK interest rates, sterling has risen by about 11 per cent on a trade-weighted basis over the last 12 months in spite of a doubling in the inflation rate.

Mrs. Thatcher told the Commons that the annual rise in the retail price index for April, to be published today, would show a further increase from the 19.8 per cent in March.

It is generally expected that the annual rate will rise to 21 per cent or more, the highest for more than four years.

Worsening international competitiveness has aggravated the severe liquidity squeeze faced by industry.

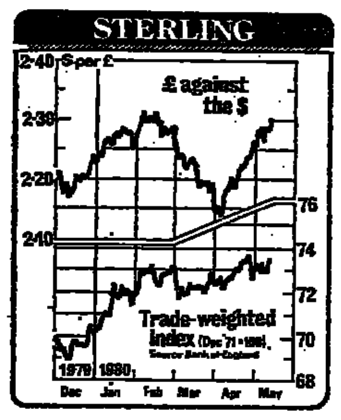
This has been one of the main factors forcing many companies to continue heavy borrowing to finance high wage settlements and uncomfortably large stock levels.

Yesterday's figures from the Bank of England showed that sterling M3, the broadly-defined money supply, rose only 0.3 per cent after seasonal adjustment in the four weeks to mid-April.

But seasonally-adjusted bank lending to the private sector rose to a record £1.55bn, well above the £439m in March

The annual rate of growth of sterling M3 in the ten months since last June is down to 10 per cent, within the Government's 7 to 11 per cent target range.

In the last six months the



annual rate of growth has slackened to only 6.5 per cent.

The effective rate of growth is probably about two percentage points higher because of the increase in commercial bills held outside the banking system, a form of lending not included in hte main monetary measures.

However, the Government is now plainly more worried by the rise in bank lending.

Mrs. Thatcher told the Commons that there was "still

Continued on Back Page

Table Page 8 ● Parliament Page 12 ● Editorial comment Page 22 ● Lex Back Page

Muskie rejects new peace moves by Afghanistan

BY JOHN WYLES IN VIENNA

MR. EDMUND MUSKIE, the U.S. Secretary of State, gave short shrift yesterday to the Afghan Government's diplomatic overtures, to Iran and Pakistan.

He claimed that the Kabul regime was making a propaganda ploy and was not offering a "serious response" to U.S. demands for Soviet troops to be withdrawn from Afghanistan.

Speaking after his arrival in Vienna from Brussels, where he had been attending NATO meetings, Mr. Muskie said the Kabul proposals were significant only for their timing. Their obvious purpose was to affect the Islamabad conference of Islamic Foreign Ministers, whose discussions starting tomorrow are expected to concentrate on Afghanistan.

Mr. Muskie said that the *plan would legitimise the Soviet* invasion of Afghanistan and the government of Mr. Babrak Karmal, without any firm prospect of a Soviet withdrawal.

Showing a stronger taste for the public platform than his more reserved predecessor, Mr. Cyrus Vance, Mr. Muskie saw only one interesting development. Russia, he claimed, was feeling "the pressure of international condemnation to the point that for the first time reference to withdrawal is included in the proposal."

Clearly, Mr. Muskie's largely negative response further dampens any expectations of a substantive outcome to his meeting with Mr. Andrei Gromyko, the Soviet Foreign Minister. He forecast yesterday that it would be a probing exercise, which will open "with a sort of diplomatic minuet, as we each recite our reactions to the other's actions over the past six to eight months."

Nevertheless, this first high-level contact between the U.S. and the Soviet Union since the Afghanistan invasion has been made possible by the presence of both men in Vienna to celebrate the 25th anniversary of signing of the Austraian State Treaty.

Lord Carrington, the Foreign

Continued on Back Page

GERMANS BOYCOTT GAMES

A WESTERN boycott of the Olympic Games in Moscow this summer was strengthened yesterday when West *Germany's national Olympic* Committee followed the advice of the Bonn Government not to take part.

The decision may sway some other European nations to join the U.S. call for a boycott in protest at Soviet *activity in Afghanistan.* It will almost certainly strain relations between Bonn and Moscow. Back Page

Imps goes ahead with HoJo bid

BY ANDREW FISHER

IMPERIAL GROUP, the UK tobacco, brewing and foods group, is going ahead with its $630m (£275m) takeover of HoJo, the Howard Johnson motel and restaurant chain in the U.S., after earlier raising doubts about the deal.

But under the requirements of the liquor laws in New York State, one of the 40 states in which HoJo operates, Mr. Howard B. Johnson, its chairman, will not be able to sit on the board of the British group. Nor will any directors of Imperial be able to join HoJo's board.

Mr. Jim McKinnon, Imperial's finance director, said the bid should be completed in four to five weeks. It will be financed through Eurodollar loans. Imperial is offering $28 a share for HoJo, whose shares moved up yesterday to just below this level.

Last month they fell sharply after Sir John Pile, who was then Imperial's chairman, said in his final speech at the annual meeting that there were still questions to be asked about the deal.

But Imperial said yesterday in a brief statement that it had told its lawyers and financial advisers to complete the p ur chase as soon as possible, now that it had completed its review.

All 40 states have given satisfactory indications about liquor licence approvals for Imperial. It will have to close down or sell the small New York-based operation of its Saccone and Speed liquor distribution subsidiary.

Imperial's own shares closed 2p lower at 76½p yesterday, reflecting some City opinion that it is paying too high a price for HoJo. This has been the view of some major institutions, although the company easily obtained shareholders' approval in December.

New York's ban on joint directorships dates back to the lifting of Prohibition in the early 1930s, when it was laid down that the retail and wholesale sides of the alcohol business should be kept separate.

Mr. McKinnon said HoJo had obviously been affected by the U.S. recession, though less badly than others in the same sector. But some improvement was in sight.

HoJo has already reported 19 per cent lower earnings in the first quarter at $5.24m. It referred to the "vexing problems" of inflation and high petrol prices in its annual report in March.

Lex Back Page

CONTENTS

For latest Share Index 'phone 01-246 8026

New Iran moves to switch oil funds

By Andrew Whitley in Tehran

IRAN IS taking further steps to shift its oil revenue away from banks in countries which might apply economic sanctions against it, in favour of those in four neutral or non-aligned countries—Switzerland, Sweden, Austria and India.

In the past fe wdays five more banks in those countries have been added to the approved list of those empowered to open letters of credit and handle revenue payments on behalf of the National Iranian Oil Company.

A senior Iranian banker yesterday denied that it was the Government's policy to channel all oil revenues through banks in the four countries. But he added: "What do you expect us to do ahead of May 17?" (the date when EEC countries may start applying sanctions against Iran).

To safeguard its foreign exchange reserves against a possible freeze of assets by Western Europe and Japan, Iran is known already to have placed funds in the names of friendly central banks such as those of Libya and Algeria. Other sanctions avoiding measures being undertaken

Although purchasers of Iranian oil are being encouraged to open their letters of credit only in the five new banks, traditional channels in France and Britain appear still to be open.

Paribas, a leading French bank, acted in one case last month, after the original decision on sanctions had been agreed by the EEC Foreign Ministers.

Latest unofficial figures suggest that Iran's oil exports are running at no more than 500,000 to 600,000 barrels a day, producing an income of between $17m and $20.5m (£7.5m-£9m) a day.

According to diplomats in Tehran, two offshore production companies, LAPCO and IPAC, in which U.S. companies used to have a share, have had to stop production because their storage tanks have reached capacity.

Limited storage capacity is also believed to be affecting Iran's domestic refineries. Heavy fuel oil, largely sold in the past to tankers loading at Iran's ports, is having to be stored because of the small number of tankers now calling.

£ in New York

—	May 14	Previous
spot	$2.2988-2998	$2.2880-2890
1 month	1.59-1.52 dis	1.50-1.45 dis
3 months	3.73-3.65 dis	3.35-3.25 dis
12 months	7.55-7.35 dis	7.15-6.95 dis

BL chairman warns of further losses

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FURTHER uncertainty has been raised about the future of BL as continuing high interest rates, sterling's strength and rapid inflation have put great pressure on the group's cash flow this year.

Sir Michael Edwardes, BL chairman, told yesterday's annual meeting that these external factors had severely affected BL's ability to compete profitably both at home and abroad.

Further losses this year were inevitable. "The question is: How far can we go with model programmes, pay for factory closures and still stay within cash targets?

"Cash flow will be the crucia test of whether we are managing the business properly in 1980," he said.

Capacity

But the indications are that Sir Michael has no intention of asking the Government for more than the £300m approved for 1980-81.

The group will resist the temptation to cut manufacturing capacity further, after completion of the closures involving 13 plants announced last September. Sir Michael has always maintained that the cars division needs the capacity to produce 900,000 to 1m vehicles a year if it is to remain an economic volume producer.

BL said last September the workforce would be cut by "at least 25,000" in the following two years. It now seems almost certain the final total will be well over 25,000.

This year's uncertainties are clearly having an impact on the 1981 corporate plan which the BL board has already started to put together.

Sir Michael said that to remain competitive overseas BL "must absorb the penalties of the strong UK inflation and rising costs and overheads to price our vehicles in line with our competitors."

He went on: "This means that in some markets our margins have now been reduced to the point where there is barely a profit and in some cases a net loss.

"And it is not an easy matter to decide whether we should view the current terms of trade as a temporary phenomenon and just soldier on in unprofitable markets or with unprofitable products until the situation changes, or wether we should opt out.

"We cannot ignore the fact that we are one of Britain's largest exporters."

Taking exchange rate movements and relative inflation, into account, the UK is probably the most profitable market in which to sell vehicles—"that is if you are making your products anywhere else and shipping them here."

Sir Michael calculated that in the past year the profit margins of selling in the UK had doubled for French and German manufacturers and quadrupled for the Japanese. "That gives them a great deal of room for aggressive marketing."

BL continued its "buy British" policy, but the group was being forced in some cases "by the sheer economics" to buy abroad instead.

Sir Michael warned British suppliers that they should not try to pass on to BL inflationary price rises which resulted from high wage setlements. "To do so would be grossly unfair to all our own employers who have had the realism to settle modestly."

On industrial relations, Sir Michael denied it was BL's policy to confront unions or employees. "BL's main hope for 1980 and onwards is that we can broaden the recent agreemtnts and understandings between management and unions into a positive strategy for co-operation and united effort and finish with confrontation once and for all. If we do not, we have no industrial future."

BL's internal dispute record improved dramatically in 1979 there was a 52 per cent reduction in hours lost. The two external strikes, the road haulage and engineering disputes, cost more than £60m in lost profit and 10m lost man hours.

Elected

Sir Michael said BL was attempting to cop ewith "the peculiar difficulties of operating in and out of Britain" when the automotive industry was engaged in a "contest of survival on a worldwide scale."

BL estimated that about one third of a million car workers around the world were either on short-time or laid off. The only exceptio nwas Japan.

● Mr. Ian MacGregor resigned yesterday as deputy chairman of BL after his appointment as British Steel Corporation chairman. Sir Austin Bide was appointed BL's deputy chairman. Mr. John Mayhew-Sanders, chairman and chief executive of John Brown, the engineering group, was elected a non-executive director of BL.

West reacts with scepticism to Afghan peace plan

BY DAVID TONGE

THE WEST has welcomed one main point in the new Afghan peace proposals—the indication that the Soviet Union seems prepared to consider a political settlement. But, though the proposals for the first time talk of Soviet withdrawal from Afghanistan, there is deep scepticism about whether they represent a sufficient step forward to allow any progress to be made in Vienna in the next two days.

Today Mr. Edmund Muskie, the U.S. Secretary of State, is due to meet his Soviet counterpart, Mr. Andrei Gromyko, for the first time since Moscow invaded its neighbour. On Saturday, Lord Carrington, the British Foreign Secretary will also meet Mr. Gromyko, thus reversing a four-month-old UK policy of freezing ministerial contacts with the Soviet Union.

The timing of the Afghan proposals is considered opportunistic by Western officials. While they may have been intended to destroy any remaining interest in British and EEC calls for a neutral and non-aligned Afghanistan, they also appear to have been aimed at the Islamic Foreign Ministers' meeting in Islamabad this weekend.

Mr. Muskie yesterday described the proposals as "cosmetic" and a British Foreign Office spokesman said they confirmed the status quo in Afghanistan and showed "little if any change from the previous Soviet and Afghan position." But, in private, other Western officials argue that the proposals involve two fresh themes for the Soviet Union.

The first is a reference to (unspecified) guarantees of non-interference by the U.S. and Russia, a point which may have been borrowed from the EEC proposals. The second is a reference to the withdrawal of Soviet troops once rebel activity has ceased and Kabul has normalised its relations with neighbouring Iran and Pakistan.

The proposals have been presented against a background of continuing problems for the Soviet Union in Afghanistan. Western analysts have been surprised at the degree of resistance" put up by Afghans

One month ago the regime of Mr. Babrak Karmal advanced a five-point plan which called for bilateral talks with Iran and Pakistan; a conference to normalise the situation in the region; talks to reduce military expenditure in the region; talks on relaxing tension; and discussions on how to turn the Indian Ocean and Gulf into a region of peace.

At the same time Sr. Isodoro Malmierca [illegible]oli, the Cuban Foreign Minister, started an initiative which the West saw as owing more to a desire to advance Soviet wishes than to genuinely wanting to gain credibility among the non-aligned movement.

However, Pakistan strongly opposed the talks with Kabul which the Cubans advocated and Iran has always shown sympathy for the aspirations of the Afghan rebels.

Pakistanis reject Kabul bid

By David Housego

PAKISTAN yesterday rejected the Afghan proposal for direct talks between the two Governments which would amount, Isalamabad believes, to de facto recognition of the Babrak Karmal regime in Kabul.

The reason given by the Foreign Ministry for rejecting the Russian-inspired proposal was that the resolutions of the Islamic Conference held in Islamabad in January preclude member states from relations with Afghanistan until Russian troops have been withdrawn.

Pakistani officials saw little new in the proposals which called for talks with Iran and Pakistan on normalising relations. But the initiative is seen as embarrassing, coming just before the Islamic Foreign Ministers' conference which starts on Saturday. It is likely to be seized on by radical Moslem states which support a resumption of relations with Kabul and Afghan-s istan's readmission to the Islamic Conference.

The Russians have been putting pressure on Pakistan in recent weeks to come to terms with the Kabul regime.

Mr. Abdul Salam al-Treiki, Libya's Foreign Minister, called on his arrival in Pakistan on Wednesday for the immediate readmission of Afghanistan. The fact that a number of Arab Governments have received an Afghan delegation led by Mr. Dost Mohammed, the Foreign Minister, in recent weeks is seen as weakening the case for withholding recognition.

Pakistan is nervous lest the Afghan Government tries to force entry to the Foreign Ministers' talks in the hope of winning readmission. Pakistani missions abroad have been instructed recently not to issue visas to Afghan subjects.

Russian invasion forces face a war of shadows

BY DAVID SATTER IN MOSCOW

ALMOST FIVE months after the Soviet invasion, the war in Afghanistan has become a war of shadows. Western observers believe the Soviet Army has not yet developed a strategy for defeating the Afghan rebels, who melt away as Soviet units approach.

There is little information about t he fighting, but there have been signs in Moscow that Afghan resistance has been greater than expected, while Soviet military performance has been poorer than hoped.

The first indication of problems was the speed with which the Russians replaced the original invasion force, drawn from quarter-strength Central Asian reserve units. The Soviet troops in Afghanistan are now overwhelmingly European, with some reported to have been transferred to Afghanistan from bases in East Germany.

There has been no confirmation of reports of desertions by Central Asian soldiers, but it is thought the Soviets would not have replaced thousands of Asian troops as quickly as they did if they had been satisfied with their discipline or performance.

The Communist Party newspaper Pravda, in a highly unusual acknowledgement of the problems facing Soviet troops and their Afghan allies, said last Saturday that "the struggle against the bandits in the mountains is no easy matter."

Pravda said that "just 10 or so men, occupying good vantage points and well armed with automatic weapons, machine guns and grenade throwers provided by the United States and China, can hold up the advance of a much superior force."

There was no acknowledgement that Soviet troops were taking part in the fighting, and the problems were said to affect only Afghan army units. Soviet forces, however, are now believed to have taken over almost the whole burden of the war against the rebels.

The Soviet armed forces' newspaper, Krasnaya Zvezda, has carried almost no information about fighting in Afghanistan, but there have been an increasing number of reports about training exercises on Soviet territory in such specialities as mountain warfare, airborne operations and, since the February rioting in Kabul, fighting in cities.

Western military observers believe the Soviet forces in Afghanistan are mechanised and road-bound, and the growing emphasis on training in unconventional warfare stresses the fact that Soviet military training has traditionally presumed front-to-front confrontations of the kind which might be expected in a hypothetical conflict in Central Europe. The Russians have little experience of anti-guerrilla warfare.

> The Russians' ultra-modern equipment includes the latest anti-aircraft missiles, but is of little use in persuing guerrillas on their own terrain.

There are now 80,000 Soviet troops in Afghanistan, and about 25,000 in the Soviet Union near the Afghan border. But the long-awaited spring offensive against the guerrillas has not come, and may be postponed indefinitely.

The Soviet forces have secured major cities and the roads between them, but military observers believe they have not adjusted psychologically to the kind of war they are fighting. The vast amounts of ultra-modern equipment they have moved into Afghanistan, including the latest rifles, mortars, anti-aircraft missiles and long-range artillery, can be thoroughly tested in Afghanistan, but that equipment is of little use in pursuing the guerillas on their own terrain.

Soviet and Afghan units typically respond to calls for help from beleaguered local authorities only to arrive and find that the Afghan rebels have disappeared. They may search houses and make a few arrests, but they *do not* take drastic action to assert government authority. The rebels return as soon as the Soviet units withdraw.

When Soviet and Afghan units come into direct conflict with the Afghan rebels, the rebels are usually the initiators and the Soviet troops normally take up defensive positions behind their heavy equipment.

The deployment pattern almost suggests the Russians believe their own propaganda about defending the Afghans against "foreign aggression." There have been punishing Soviet strikes against some rebel strongholds, including, most recently, a battle involving hundreds of Soviet tanks in the Ghanzi area, south of Kabul.

The Soviet authorities may, therefore, be very uneasy. The war is unpopular in the Soviet Union itself. Feelings are sufficiently ambivalent that, in a departure from Soviet tradition, soldiers who die in Afghanistan are not being buried where they fall but are brought back for burial in Soviet soil.

The Soviet newspapers say almost nothing about casualties or fighting, aware that they cannot count on broad public support. Reports from Afghanistan have concerned Mr. Karmal's Government, co-operation between Soviet and Afghan specialists, and the successes of the Afghan army against "gansters" "criminals" "mercenaries" and "bandits," with Soviet trops said t obe playing only a support role.

The control over information affects the families of soldiers posted to Afghanistan. Throughout a Soviet soldier's service, his relatives know only the number of his division but not where the soldier and division are posted. There have been cases of Soviet soldiers passing word to their families that they were not in Afghanistan. When a soldier is killed in battle, his family is told that he was "killed in hte fulfilment of his duties"—the same formula used for accidental death—but not wher he died or how.

This lack of information has softened the impact of Afghanistan. Many of the seriously wounded are treated in East Germany, and maimed or disfigured soldiers are reported to be resting in Sanatoria on the Black Sea.

Sometimes, however, reality still manages to intrude on the all-but-pervasive impression in Moscow of a distant war against an ill-defined foe. Thirty officers were reported in mid-April to have been buried in the military cemetery in Kiev, a high toll for one locality. By the end of the month, there were 25 more graves.

The Soviet takeover in Afghanistan was rapid and painless, but the Soviet authorities may be unable to consolidate their control so easily. The war has had little impact on Soviet society so far, but the choices which the Soviet armed forces must face suggest that, even with only the barest access to information in Moscow, the Afghan war may soon come to people's attention of its own accord.

The enemy: Moslem insurgents in the Kama Valley, in eastern Afghanistan.

France plans to aid farmers if EEC deadlock persists

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government has drawn up a contingency plan to support its farmers if Britain maintains its veto of the 5 per cent price rises for agricultural products, agreed by the other eight members of the European Communit.

Measures expected to cost the French Treasury FFr. 5bn at least (£522m) will be introduced on June 1, if unanimous agreement on farm prices is not reached by EEC Agricultural Ministers at their meeting on May 28-29.

Three types of action are envisaged and will be discussed by M. Raymond Barre, the Prime Minister, with representatives of farmers' organisations next week.

Market intervention measures will be adopted to support the domestic prices of some farm products. The frontier has already been closed to imports of tomatoes under the Community's safeguard clause for vegetables.

State aid will be given to young farmers to help them repay loans which they have contracted over recent years. Finally the state will reimburse a proportion of farmers' value-added tax payments.

While there is still some hope in Paris that compromise will be reached by the end of the month on Britain's demands for a reduction of its contributions to the EEC budget, and on a rise in farm prices, the Government is making sure that it will not be left high and dry in the event of continuing deadlock.

A meeting of the Cabinet has been fi xed for May 30, immediately after meetings of Foreign and Agriculture Ministers of the Nine in Brussels.

Meanwhile, the pressure exerted by France's powerful farming community is growing and demonstrations are a daily occurrence.

More than a thousand farmers clashed with police in a small town near Limoges on Wednesday.

Government stands firm on foreign students policy

BY DAVID WHITE IN PARIS

A FIRM stand by the French Government on its policy towards foreign students threatens to fuel protest movements at a number of universities after two days of violent clashes in Paris.

Fighting in the Left Bank district on Wednesday led to 140 arrests and injuries to 35 policemen and an unknown number of demonstrators. Yesterday 21 people were expected to be charged with offences against public order.

Most reports blamed groups of young "autonomes," extraneous to the students' movement, for provoking the fighting which followed the accidental death of a demonstrator at the Jussieu science faculty on Tuesday. Several vehicles were overturned and shop windows ransacked.

Two students were given suspended sentences for their role in the Jussieu incidents and seven other people, including three minors, were charged.

Other protests were staged on Wednesday by students in French provinces, where the campaign about foreign students' conditions has been building up for months.

French authorities argue that the new conditions mposed on foreign candidates—a standard French language test and a guarantee that they have adequate funds—are not strict nor are they intended to cause mass expulsions. They also argue that France has a higher proportion of foreign students—12 per cent—than any other major country.

Replying to charges that the police had infringed long established university priveleges by going into the Jussieu faculty without being requested, M. Christian Bonnet, the Interior Minister, said they had "the right and the duty" to intervene. The Government would not tolerate vandalism or provocation.

M. Raymond Barre, the Prime Minister, told the National Assembly in emphatic terms that the Government would not allow universities to become "rubbish dumps" for students who were unwanted in the universities of their own countries.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

WARSAW PACT SUMMIT

Pledge to repair East-West relations

BY ANTHONY ROBINSON IN WARSAW

AS WESTERN leaders responded without enthusiasm to the latest diplomatic feelers from Kabul, Warsaw Pact leaders, at the end of their two-day meeting here, emphasised their desire to try to improve East-West military and political relations. Mr. Andrei Gromyko, the Soviet Foreign Minister then flew to Vienna for his first talks with Mr. Edmund Muskie, the new U.S. Secretary of State.

Mr. Leonid Brezhnev, the Soviet President and Mr. Edward Gierek, the Polish Communist Party chief, set the tone of the pact meeting in their lunchtime toasts to he assembled political and military leaders of the seven countries. Mr. Brezhnev praised the pact as "an infallible common defence system which has blocked the enemy's attempts to transform the socio-political map shaped after the Second World War. It had "created the basis for a more realistic approach by Western leaders to peaceful co-existence," he said.

"In the current complicated international situation, there sounds from Warsaw a decisive warning against the policy of war adventurism and the frantic arms race. There sounds the voice of reason and peace and confirmation of the will to solve the urgent problems of the world today," he added.

In his toast, Mr. Gierek called on all governments carefully to read the meeting's final declaration because its aim was "to liquidate the current tensions and to assist the positive peaceful process in Europe and the world." He said that Poland had again proposed a European disarmament conference "to work out concrete steps for halting the arms race in Europe and the world."

But the most intriguing part of Mr. Gierek's speech came at the end when he said that the pact's members were in full agreement with the Soviet Union that the Socialist states were "ready to talk to anyone if this helps peace and detente."

This seemed to imply Moscow's ecceptance of greater diplomatic leeway for the individual East European state, a right Romania has insisted on for years. It would appear to facilitate contacts between East and West Germany and bilateral East-West relations in general.

It could also legitimate the diplomatic and economic contacts which *Romania*, in particular, has forged with China, Israel and the West in the face of what up to now has been thinly veiled Soviet opposition.

Evidence of the greater leeway emerged last week in East-West talks during President Tito's funeral. Herr Helmut Schmidt, the West German Chancellor, indicated after his meetings with the East German leader, Herr Erich Honecker, and with Mr Gierek, that the East Germans now appeared able to talk with greater authority about inter-German problems without having to defer constantly to Moscow.

French credit for Turkey

BY METIN MUNIR IN ANKARA

AN AGREEMENT under which France will provide Turkey with a programme credit totalling $100m was signed here yesterday by M. Rene Monory, the French Economics Minister, and Mr. Ismet Sezgin, the Turkish Finance Minister.

The loan will raise France's balance of payments support to Turkey next year to $228m.

France, meanwhile, is to coordinate the re-scheduling of Turkey's debts, believed to exceed $2bn, to suppliers in Organisation of Economic Co-operation and Development countries. The debts concerned are those built up since Turkey's economic crisis started in 1977 and involve suppliers covered by the Government's export insurance departments. There is a separate programme for uninsured suppliers.

A meeting of the countries involved to discuss the terms of re-scheduling will be called after Turkey signs a new stand-by agreement with the International Monetary Fund now under discussion in the U.S.

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
American Express Bk.	17 %
Amros Bank	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½ %
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
■ Brown Shipley	17 %
Canada Perm't Trust	18 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	19½ %
First Nat. Secs. Ltd.	19 %
Robert Fraser	17 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½ %
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	19 %
Langris Trust Ltd.	17 %
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½ %
Williams & Glyn's	17 %
Wintrust Secs. Ltd.	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

هكذا من الاصل

Private sector credit squeeze likely in Spain

BY ROBERT GRAHAM IN MADRID

AN UNEXPECTEDLY sharp increase in Spanish public sector spending is forcing the Government of Sr. Aldofo Suarez to reconsider its credit policy. Despite some strong resistance from the banks the authorities are expected to introduce measures to squeeze private sector credit.

In each of the first four months of the year the increase in money suply has been above the original margin. In April the Bank of Spain detected a *disturbing acceleration in this* expansion—24 per cent on a month-to-month basis. The main stimulus has come from the public sector which managed to absorb, in the first quarter, the total increase envisaged for the whole of 1980. Largely resorting to the Bank of Spain, the public sector has absorbed Pta. 290bn (£1.8bn).

Sr. Suarez: having second thoughts

Bank of Spain officials say that the increase is in part due due to a shortfall in Treasury receipts from taxes. It also appears that an important slice of budgt expenditure, held over from 1979, has been disbursed, adding a further distortion. At the same time, the levelling of domestic interest rates with those prevailing in international markets led to a switch away from foreign to domestic borrowing.

This factor also applied to the private sector where credit has also expanded above the 1980 target of an average 16-17 per cent. Provisional Bank of Spain figures show credit to the private sector in March rose by 27 per cent.

On current projections the public sector deficit could be over Pts 400bn (£2.47bn). The authorities are hoping for a turnaround in the declining trend of tax collection

The Bank of Spain, however, is not willing to rely solely on this and sees no alternative but to drain liquidity. The most likely move is to raise the amount banks are obliged to place with the Bank of Spain. This is currently 3 per cent of deposits. The Bank would have liked to have raised this a further point but a well orchestrated campaign by the banks has made the full increase unlikely, cutting the rise to 0.5 per cent.

In anticpation of the move, interst rates have moved up and are now hovering around 20 per cent on the inter-bank market. In the past two years, the Bank of Spain has, through careful management of the money supply, eased tensions in the inter-bank market. But ther are fears that tensions will return if too restrictive an attitude is adopted.

Portuguese leader for EEC talks in London

By Jimmy Burns in Lisbon

THE PORTUGUESE Prime Minister, Sr. Franciseo Sa Carneiro, arrives in London on Monday at the beginning of a tour of major European capitals aimed at smoothing Portugal's entry into the EEC. During next week the delegation will visit Paris, Brussels, Athens, and Dublin.

Sr. Sa Carneiro and his team are going to London conscious that the / solid political relationship established between the centre-right Democratic Alliance and Britain's Conservative Government could be put to *the test when* Portugal presses again for aid before accession to the EEC.

Portugal has asked for 287m Units of Account in direct grants over the next three years to cover infrastructure, agriculture, and medium and small sized industries. Lisbon officials argue that unless they receive this Portugal will be unable to absorb further aid once it joins the Community in 1983.

Textiles is another contentious issue as the Portuguese have said they will not accept any attempt by Britain to restrict their textile exports once Portugal joins the EEC.

Portuguese textile exports are booming and account for over 30 per cent of total earnings. The Community already absorbs over 50 per cent of Portugal's textile exports.

A further note of controversy is expected to be struck in Paris on Tuesday. Portugal's chief EEC negotiator, said yesterday that Lisbon would not accept restrictions on the free transfer of labour. The Portuguese already constitute France's largest immigrant community and there are fears that the French might try to curb any expansion.

Bleak outlook for six Comecon economies

BY LESLIE COLITT IN BERLIN

WORSENING TRADE deficits for the six East European members of Comecon will cur*tail investment and hold down* living standards this year, according to a study of Comecon's economic problems by the German Institute of Economic Research.

The East European countries had a trade deficit last year with the Soviet Union of 1.06 transferable roubles ($1.6bn) and a deficit with the West of $6.7bn. The rise in prices for Soviet oil, natural gas and raw materials means East Europe must export more to Moscow. Eastern Europe's prospects of boosting exports to the West are poor because of lower economic *growth there. The Soviet Union,* which has its own problems because of unproductive agriculture, has improved in terms of trade with both the West and other Comecon countries. It has been providing credits to the East European countries to help finance their energy imports, according to the institute.

Real wages dropped last year in Bulgaria by 0.8 per cent, in Czechoslovakia by 0.4 per cent and in Hungary by 1.2 per cent because of rising prices. Incomes rose 3.5 per cent in East Germany which never admits to price rises even when *they take place.*

With the exception of Bulgaria, the European Comecon countries have all planned higher growth in national income this year although the targets were mostly nota chieved last year.

The European Comecon countries, taken as a whole, expanded *national* income by 2 per cent. But Poland failed to achieve its goal of 2.8 per cent growth and instead national income fell 2 per cent. The Soviet Union had growth of only 1.5 per cent against a target of 5.2 per cent. Of the major Comecon countries, only East Germany with 4 per cent growth came close to its goal of 4.3 per cent.

Labour productivity is disappointing. The institute explains the Comecon countries are seeking to improve labour discipline, introduce new labour *regulations and base a higher* proportion of wages on performance. It quotes Hungary's Comunist Party leader, Mr. Janos Kadares, as saying that "wages should not be a reward for mere attendance."

Industrial productivity rose 2.4 per cent in *the Soviet Union* last year agains a target of 4.7 per cent. It rose 2.9 per cent in Czechoslovakia, where the goal was 3.8 per cent per cent, and 3.3 per cent in Poland where the plan stipulated 5.3 per cent. Again only East Germny of the important Comecon economies approached its target with growth of 4.4 per cent against the 4.6 per cent planned.

High Brussels salaries make Bonn MPs see red

BY JONATHAN CARR IN BONN

A GROUP of West German parliamentarians is on the warpath over an apparent financial injustice in the EEC.

The MPs are not complaining —like their British counter*parts*—about their country's big *net contribution to the* Community budget. But they have long suspected that EEC officials, chiefly employed by the European Commission in Brussels, are being paid far more than their national counterparts in the member states.

They fear that this disparity may be increasing and they want to know what the West German Government, in particular, is doing to try to put things right.

The Government has now cautiously responded to 17 written arliamentary questions on the topic. It hedges its replies in advance by stressing the hazards of trying to make direct comparisons between the pay of national and international public servants. But it goes at least some of the way to confirm the suspicions of the questoners.

The figures it presents indicate, broadly speaking, that officials in Brussels are receiving roughly double the pay and allowances of public servants in Bonn iwth similar responsibilities and family status.

At the head of its examples, the Government compares the *sum received by a Ministerial*-direktor in Bonn (roughly equivalent to a Deputy Under-Secretary at the British Foreign Office) with that received by a Director-General in the Brussels Commission. In both cases it is asumed that the official is married with two children and all available benefits, such as family allowances, are included.

Cost of living

The pay figures and exchange rate calculations reflect the postion in February this year. On this basis, the monthly sum received by the Bonn officials is given as DM 10,763 gross (£2,690) and DM 7,065 net (£1,770). That of the Brussels Director-General is given as DM 20,234 gros (£5,060) and DM 15,002 net (£3,750). Five other comparisons between the sums received by various ranks of officialdom in the two capitals show similarly wide differentials.

At least two qualifications on behalf of the Eurocrats should be made. For one thing, the cost of living in Brussels is higher than in Bon—albeit not by much. An EEC index cited by *the Government and dated* last July which scales Brussels living costs as 100, puts those in Bonn at 99.3.

Further it is clear that most of the EC o:cials in Brussels are non-Belgians, facing the additional expenses and (at least initially) problems of living abroad.

The Bonn Government recognises this and includes in its comparisons the sums received by West German diplomats working in Brussels and thus being paid a foreign service allowance. The figures show that, in the higher grades of service, these diplomats receive roughly one third less, on a net basis, than their EEC equivalents in the same city. The lower grades receive about one quarter less than their EEC counterparts.

In theory, it could be that West German diplomats and other public servants are paid markedly less well than their counterparts elsewhere in the Community—so that a direct comparison of this kind distorts the degree to which EEC officials are well off. But in fact the Bonn Government indicates that West German public service pay is above the Community average.

The conclusion must be that the disparities with EEC pay revealed in the Bonn figures would be even larger seen from several other capitals.

Proposals expected

The Government notes that, in 1976, a new system was introduced which was supposed to mean that, in the medium term, the increases in the pay of EEC officials would keep pace roughly with the average increases of public service pay in the member states. However, the Government notes that this system in itself could not reduce the marked existing disparities. Indeed, its own figures for pay increases this year indicate that the disparity between German and EEC pay may actually be increasing.

Bonn is now expecting the Commission to make new proposals on the pay problem so that the Council of Ministers can decide on them by the end of this year. But those who have followed the saga of attempted reform over the years are frankly pessimistic about the prospects for a breakthrough.

Does it matter anyway? Some have argued that the higher Brussels salaries are a partial recompense for officials whose European idealism is gradually destroyed by national rivalries within the Council of *Ministers.* But *old* Brussels hands who have returned to Bonn note that a national bureaucracy is not without its frustrations either.

One suggestion, not wholly ironic, is that if the EEC wants to promote some idealism it should increase the pay of its officials by markedly less than the Community average. Few steps would be more calculated to undermine those complaints heard from time to time that the Eurocrats are feathering their nests at the expense of the European tax payer.

OVERSEAS NEWS

Andrew Whitley in Tehran reports on the political manoeuvrings taking place in Iran as the new Parliament prepares to assemble

Differing visions of government vie for power in Iran

"THE OVERWHELMING majority of the people want (a Prime Minister) who represents security, order and moderation. They are gradually getting fed up with personal and group autarchy . . . and with the tendency that wants to consolidate murder instead of decisiveness."

Far from being the private protest of some chicken-hearted member of the bourgeoisie, unable to cope with the exigencies of revoluationary Iran, that was Mr. Abol Hassan Bani-Sadr, the President himself, writing earlier this week in his newspaper Islamic Revolution: the same Mr. Bani-Sadr whose constant sniping from the sidelines helped to bring down the Government of Mr. Mehdi Bazargan last year, and the man whose sweeping majority in the presidential elections last January seems to have vanished into thi air.

In an editorial which had all the appearance of a political last will and testament, the President warned unequivocally of the dangers of "religious fascism" and of groups seeking to "re-establish political despotism under the guise of religion." Such developments were preparign the ground for a U.S.-inspired coup, Mr. Bani-Sadr said.

The target of his broadsides, the clergy-dominated Islamic Republican Party, was unperturbed. It had just outflanked the President's own ploy for strengthening his influence at their expense by appointing his own so-called "provisional" Prime Minister. Moreover, the Islamic Republicans know they retain their special links with Ayatollah Khomeini's informal office and can control the majority of seats in the new Majlis (Parliament).

With results from 242 of the 270 seats declared, the Islamic Republicans' "grand coalition" claims to have won 130. The next largest faction, Mr. Bani-Sadr's cumbersomely named "Co-ordinating Office of the President and the People" and his political allies, say they have at least 74. The remainder will be local clergymen without national affiliation and a handful of independents.

The Majlis will probably be a far more amorphous and less manageable group than each side's election claims would suggest.

The politically inexperienced clergymen who make up most of its numbers are unlikely, in the opinion of prominent Iranians, to be the disciplined "division fodder" some foreign analysts have openly feared.

President Bani-Sadr: a vanished majority

Charged with deciding the fate of the hostages at the U.S. embassy, the likelihood is that they will blur the issue until hey get a strong lead from Ayatollah Khomeini, who has tried to wash his hands of the problem but will probably not be allowed to do so.

The President's Office has responded to its latest setback by calling for a parliament of national unity, without majority and minority factions. It also criticised the Islamic Republicans' leadership for asserting a monopoly of political legitimacy in "the Imam's line," as Ayatollah Khomeini's vision is known.

Put simplistically, the political manoeuvrings of the past fortnight, the late-night meetings of the Revolutionary Council, the newspaper slanging matches, the election claims and so on—could be described as a power struggle. But, although the contest is becoming more overt by the day, it is not so much a naked struggle for personal or factional ascendancy as a contest between different visions for the Government of Iran.

For all their radical rhetoric, Mr. Bani-Sadr and his young acolytes, called the "Stamford Mafia" after the U.S. university several attended, have correctly tapped the public mood of intense weariness with revolutionary confusion and the arrogant swaggering of the Mullahs.

On the other side, Ayatollah Beheshti heads a group of clergymen and some lay figures, many of them grouped in the Islamic Republican Party, who cannot countenance any compromise in the guiding principle of the Islamic republic: rule by the Mullahs. It is not how that will be applied which is important for them now, but the way the goal will be reached.

The points at issue between Mr. Bani-Sadr and the Islamic Republicans have been: whether a Prime Minister should be appointed now or after the Majlis opens; how soon the Majlis should meet; and whether the legislature would debate the hostages as its first business, or simply in due course. All are apparently procedural matters of no great significance, but behind them is the President's nagging worry of how the international crisis with the U.S. and its allies could worsen.

There are many Iranians who believe it is only the continued detention of the hostages which is saving them from destruction by the U.S. Consequently, one element in a settlement, as outlined by a close associate of the President, would be some form of U.S. guarantee or built-in safeguard against such an action.

One ray of hope is that there are those who are now beginning to question whether it is any longer in the interests of Ayatollah Beheshti's men to hang on to the hostages. The way this argument runs is: the Islamic Republicans have proved their staying power in Iranian

Ayatollah Beheshti: no compromise on principles

politics; the Iranian revolution has been able to make its points to the world about the Shah's misdeeds by forcing a public re-examination of his record; the U.S., especially since the abortive rescue attempt, has been seen to have been held at bay by a small, weak nation. So what more can be gained?

The concomitant is that the advent of a Majlis dominated by the Islamic Republicans might not be such a ba dthing. Western diplomats working behind the scenes to break the apparent deadlock that exists, both within Iran and with the U.S., recognise there can now be no automatic procedure for releasing the hostages without taking the Majlis into account.

Mr. Bani-Sadr's attempts to escape his predicament have progressivly lessened his own credibility and given his the air of a loser.

His efforts to appoint his own Prime Minister foundered when each of those he asked in turn refused to take on a task they deemed hopeless. Several are waiting in the wings to take power on their own terms, although how they would do so is unclear.

Those judged to have the best chance of taking over are known as the "Syrian faction." They include Mr. Sadeq Tabatabai, a former Deputy Prime Minister, Mr. Mustafa Chamran, the Defence Minister, and Mr. Sadeq Qotbzadeh, the Foreign Minister.

They are likely to favour some form of trial for the hostages, followed by their speedy release, as the best course of action for all sides.

In the meantime, European sanctions, in addition to those of the U.S., will make virtually no difference, other than to harden attitudes.

Iranians, from the powerful prelate down to the man in the street, have already taken them into account—and discounted them.

Iran has made considerable preparations to counter their effects, by changing sources of supply, arranging alternative routes through subsidiaries of the multinational corporations, and switching financial reserves—and new foreign payments—as far as possible into areas where they cannot be touched.

Objectively, as Western diplomats and concerned Iranians here agree, the best hope now is a period of rest.

The hostage issue is paralysing decision-making at all levels of society, and the frustrations are beginning to emerge. The problem is that, outside the political deadlock, life goes on very much as normal, albeit with less money to go round.

As one former Government Minister succinctly put it the other day: "The point where your logic ends and ours begins is the point of martyrdom." There is little logical reason for the crisis to continue, and most Iranians do not wish to be martyrs. But force them into a corner and they will line up to die.

Premier appeals for calm after Seoul students riot

SOUTH KOREA'S Prime Minister, Shin Hyon Hwack, broadcast an appeal for restraint last night after 40,000 students fought a pitched battle with police in the country's capital, Ron Richardson reports from Seoul.

The students seized buses and drove them at lines of masked and helmetted police who were holding them at bay with tear gas and pepper gas. Seven police were seriously injured.

About 50 armoured personnel carriers backed by several companies of troops had thrown a cordon round Government offices and the presidential palace to stop demonstrators reaching the Prime Minister's office.

The demonstration was the second successive day of violence in Seoul as university students continued to demand the immediate lifting of martial law and the rapid introduction of a democratic constitution. Martial law was imposed after the assassination of President Nark Chung Hee last October.

After two weeks of rallies at most of the country's 85 universities during which the students gave the Government until Wednesday to lift martial law, the protesters took to the streets in many cities. In Seoul about 10,000 marched into the city centre on Wednesday and skirmished with police.

About 40,000 students assembled in the capital yesterday in front of the main railway station. When they attempted to march towards the Government area, their route was blocked by thousands of police.

Fighting broke out and the police faced a hail of rocks and paint. The students then seized a bus and drove it through the police lines and followed up with attempts to burst through the cordons. They were driven back but commandeered other buses and set one on fire.

Mr. Shin said last night that the Government was prepared to speed up the drafting of a new constitution to replace the authoritarian framework devised by President Park. Previously the Government's timetable provided for elections next year and installation of a new President by August, 1981.

Zimbabwe minimum wage plan

By Tony Hawkins in Salisbury

THE SALISBURY Government is believed to be considering introducing a minimum wage of Z\$70 (£46.80) a month, according to officials.

This follows a pledge to Parliament by President Canaan Banana on Wednesday that the Government would take steps to ensure that even the lowest grade of worker received a "basic needs" wage.

Three weeks ago, the Government suggested a national minimum wage of Z\$80 for the entire economy including agriculture and domestic service. But after further consultations and discussions with the private sector, the revised plan to be considered by the Cabinet is believed to set a much lower minimum of Z\$30 a month for agriculture and domestic servants.

It is still not clear how far employers will be allowed to deduct payment in kind from cash wages. At present the cash wage minimum in agriculture is Z\$20, but workers receive payment in kind as well.

The plan if adopted, will take effect on July 1 ,and in mining, commerce and industry, there will be an increase in the minimum wage to Z\$85 from January next year.

Mr. James R. Mancham

SETTLEMENT was announced in the High Court yesterday of a libel action brought by Mr. James R. Mancham, former President of the Seychelles, against the Financial Times.

Mr. David Eady for Mr. Mancham told the court that Mr. Mancham felt that a survey of the Seychelles in the Financial Times on November 11 1978 unfortunately gave the impression that he was involved in corrupt practices during the 1974 election in the Seychelles, that he spent the majority of his time enjoying himself abroad pretending that he was looking for investment for the islands and that, having promised elections, he announced that they would be postponed for no better reason than that he had little chance of winning.

These suggestions were acknowledged to be completely without foundation and Mr. Mancham accepted the paper's apology together with payment of substantial damages and his costs in settlement.

Saudi revenue likely to exceed £44bn

BY RICHARD JOHNS, MIDDLE EAST EDITOR

SAUDI ARABIA seem assured of revenue of over \$100bn £44bn) in the coming year following its latest oil price rise and should generate a fiscal surplus of over \$30bn.

The budget for fiscal 1980-81, starting this month, has been set at 245bn Saudi riyals, or \$73.57bn. Revenues have been very conservatively estimated at SR265bn (\$79.5bn).

However, the new official oil selling price should in itself ensure revenue of \$90-\$95bn over the next 12 months if output from the kingdom's main producing fields if maintained at 9.5m barels a day. In addition, it will receive oil revenues from the neutral zone shared with Kuwait and the sale of natural gas liquids.

The surplus revenue in prospect should raise Saudi Arabia's accumulated reserves, currently believed to be in excess of \$80bn, to at least \$110-120bn.

No firm decision appears to have been taken by the Saudi Government on the production level in the third quarter. Prince Sultan bin Abdel-Aziz, Minister of Defence, spoke of the kingdom's "irrevocable resolve" to continue at a level of 9.5m b/d and the indications are that it will do so.

Further increases in the basic official selling price, raised this week by \$2 to \$28 per barrel of Arabian Light, are inevitable, regardless of market factors. Saudi crude remains under-priced and the Government is committed to trying to bring about price reunification.

Defence and security receive the largest allocation in the budget for 1980-81. The amounted appropriated is SR 98.9bn or 18 per cent of the total.

Altogether 71 per cent of the total is to be devoted to development projects with current spending accounting for the balance. Apart from defence and security, the breakdown shows a clear emphasis on education, manpower training, health and social services, and municipal and rural affairs.

A statement issued by the Ministry of Finance and National Economy says that actual Government expenditure in 1979-80 exceeded SR 190bn about 31 per cent up on the previous year.

Reuter reports from Tokyo: The \$2 a barrel increase in the cost of Saudi crude will boost Japan's oil import bill this year by \$87.6m to just over \$59bn.

Last year, Japan, which imports virtually all its oil and about 30 per cent of the total from Saudi Arabia, paid an estimated \$35bn.

Two Americans held by Libya on spying charge

TWO U.S. citizens have been arrested in Libya and have been accused of spying, the official Libyan news agency announced yesterday.

The agency said the two had been arrested in Tripoli by the People's Committee for Justice.

Alitalia, the Italian airline, said in Rome that its manager in Tripoli had also been arrested and charged with military espionage. Rome police said his detention might have been in retaliation for the arrest of the manager of the Libyan airline in Rome a week ago for alleged complicity in the murder of a Libyan businessman in the Italian capital.

Three Libyan businessmen have been killed in Rome this year. Police believe they were victims of gunmen sent to eliminate opponents of Colonel Muammar Gaddafy, the Libyan leader. Hhe has threatened dissident Libyans abroad with elimination unless they return home.

The arrest of the two Americans in Tripoli comes three days after the expulsion from Libya of about 20 Americans, including oil technicians and teachers at the oil company school. They were accused of spying and having connections with terrorist organisations.

Four Libyans at their country's embassy in Washington were ordered to leave last weekend for alleged intimidation of Libyan students in the U.S. They were recalled by their Government after, at first, refusing to go.

Reuter

EGYPT'S REMODELLED REGIME

Sadat promises prosperity

BY ROGER MATTHEWS IN CAIRO

PRESIDENT ANWAR SADAT of Egypt, yesterday swore in a remodelled Government that is pledged to bring prosperity to the country's 41m people.

The sacking of almost the entire economic team of the past two years and its replacement by Mr. Abdul Razak Abdul Meguid, the former Planning Minister, as economic supremo has been accompanied by a series of measures designed to check popular discontent over sharply rising prices.

The first details of the new economic policy have emerged in a document attached to a four-hour speech delivered by President Sadat on Wednesday. As interim measures until a new budget is drawn up in July the Government has announced cuts in the prices of 77 basic commodities, a 25 per cent increase in the minimum wage, a 10 per cent bonus for private sector workers and a range of improved social security benefits.

Although some of these measures had been anticipated and might have occurred as a result of a reduction in customs duties announced last week, there is anxiety among officials that limted progress made in the past 18 months towards checking the growth in the budget deficit may now be lost.

President Sadat has announced a police blitz on middlemen and others who are responsible for artificially increasing prices. However, by cutting prices in the public sector where production is already lagging behind demand he could also be increasing the threat of further supply shortages.

In this Mr. Sadat is, to some extent, flying in the face of international advice which had been urging the previous Government to allow a controlled rise in public sector prices to make state-run industries more efficient and to reflect world inflationary trends.

With the isolation of Egypt from the rest of the Arab world and near deadlock in the negotiations with Israel on Palestinian autonomy, Mr. Sadat may feel that whatever the economic cost he cannot risk a reptition of the price riots of January 1977.

Mr. Sadat's extreme sensitivity to criticism was revealed in his preoccupation during Wednesday's speech with religious tensions between the Moslem and Coptic Christian communities.

Some Coptic leaders were distressed by Mr. Sadat's repeated assertion that he was the Moslem leader of an Islamic nation. Despite promises that he would crack down on fear that far from easing Moslem fanatics the Coptics tensions the President may have increased them.

Earlier this year there were clashes in two Egyptian towns between Coptics and Moslems and, in protest, senior Coptic clergy refused to celebrate normal Easter services.

But Mr. Sadat was most incensed by pamphlets that were distributed just before his recent visit to the United States asking World Church leaders to intercede on behalf of the Coptics. Mr. Sadat described this as a conspiracy.

هكذا من الأصل

Tuesday's referendum will end neither separatism nor Canada writes W L. Luetkens in Montreal

Quebec approaches the day of indecision

THE LIGHTS are dim in the body of a hall within sight of the Montreal Olympic Stadium. A singer in jeans, picked out by coloured spot lights, is being noisily amplified by two batteries of loudspeakers. The audience of 7,000 to 8,000 clap in time to the rock beat, waving blue and white Quebec flags.

They cheer all and everything —local politicians, a clown, a dreadful band of uniformed girls, the radiantly statuesque appearance of Miss Lise Payette, Quebec's Minister for Women's Rights.

If noise alone could divide a country, there would be no need for next Tuesday's referendum in the French-speaking province of Canada: Quebec would be shaken from its Canadian moorings by the din in the hall.

But the hall is filled by the converted: largely young people, in the most informal clothes, who have come for the fun but also because they want a form of sovereignty, probably even outright independence, for Quebec as a French state in North America. But, poll after poll has shown that only one Quebecois in five wants independence.

Anyway, independence is not on the ballot. The referendum question, carefully hedged about, is whether the Parti Quebecois Government of Mr. Rene Levesque shall have authority to try to negotiate sovereignty for Quebec — defined as the exclusive right to pass laws and levy taxes—in a full economic union with Canada. The result would have to be submitted to another referendum, and Mr. Levesque has said very firmly that he would not go for sovereignty unless he got economic union.

His opponents, who call for a no vote on Tuesday, know that many Quebecois want greater powers and a more defined identity for their province. But they say Mr. Levesque's sovereignty-association is the thin edge of a wedge intended to split off Quebec altogether. They play upon fears that Quebec would be left out in the cold without oil from Alberta and without the transfers it receives from the Canadian budget. The audience in the hall are not impressed: they laugh their heads off when the clown feigns his fright at such a prospect.

But the people of Quebec at large probably feel differently —not least because one in five inhabitants is not of French origin, and will almost certainly vote no. Polls at one time put the *oui* cause ahead, but now have the *nons* marginally in the lead.

Why the shift? Partly because it took time for the *nons* to rally, whereas Mr. Levesque's Government has been working up to May 20 since being swept into power in November 1976 by a 41 perc ent minority of the electorate, under an English-style winner-take-all system.

Mr. Claude Ryan... finding a response

Mr. Rene Levesque... the thin end of the wedge

More important, the champion of the federalist cause, Mr. Claude Ryan, leader of the Quebec Liberals and an intelelctual with the features of a bird of prey, played his part by mapping out proposals for more devolution within Canada to the profit of all the provinces. Moreover, he seems to have found a response among all those who dislike the hairy young men of the *oui* rally and, more seriously, feel that the precipitate advance of Quebec in the last generation from bureaucratic-clerical domination to being a modern open society should not be jeopardised by going too far and too fast.

Miss Payette unwittingly helped Mr. Ryan when she scoffed that women voting no would be nothing more than a lot of "Yvettes"—Quebecois for a housewife with no mind of her own. Promptly, an Yvettes movement was born. Some 14,000 women paid for the privilege of attending a gathering in Montreal to demonstrate their belief in Canada.

Polls exist showing that about half the French-speaking Quebec males favoured a *oui*, whereas only a third of the women did so.

Whether Miss Payette is to blame is another matter. The believers at the "yes" rally in Montreal happily waved placards under her nose inscribed with the pun *quivette*.

Twenty-four hours later, in the same hall, Mr. Ryan's turn, with Mr. Pierre Elliott Trudeau, the Prime Minister, as star turn. The audience looked a good deal more representative of Montreal life, although with a greater-than-average sprinkling of the elegantly high and well heeled.

Mr. Trudeau delivered a speech of fine controlled passion. Mr. Levesque, he said, had suggested that his middle name was not really Quebecois at all. It was his mother's name, Mr. Trudeau exclaimed. The Elliotts had settled in Quebec 200 years ago: the name was of Quebec, it was Canadian.

It was a speech describing Mr. Trudeau's vision of a Canada where people of many origins could live together in tolerance. Mr. Ryan rammed home the point by making his speech in French, English and Italian. Canada seemed to have rejected Mr. Trudeau's vision when it voted him out of office a year ago. But things may be less simple: he was voted back in February, and Quebec backed him to the hilt on both occasions.

In Montreal on Wednesday night, as on previous occasions, Mr. Trudeau said he would refuse to discuss sovereignty-association with Mr. Levesque, but that if there is an "non" on Tuesday, he would at once begin work for a revival of the existing Canadian federalism.

What will really happen? If the vote is "no," Mr. Levesque will find it hard to control his Left wing and the convinced secessionists. Bitter disputes within his party would be inevitable: some extremists might take to the streets.

If "yes" wins, strains within the Canadian confederation Some Westerners would want to see Quebec go its own way.

It is an additional complication that the Parti quebecois term ends next year. A won referendum and a lost election —a combination on the cards— would be a hollow triumph for Mr. Levesque and his cause.

At one of Mr. Trudeau's oldest political associates, Mr. Gerard Pelletier, has said, a "yes" on Tuesday would not be the end of Canada, and a "no" would not be the end of the Quebec problem.

Carter calls for national support on oil import fee

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER yesterday pleaded for national support to overcome mounting Congressional opposition to his planned \$4.62 a barrel fe n imported oil.

Mr. Carter said that if the fee, which has also been successfully challenged in the courts so far, were not imposed, it would be taken by the rest of the world as a signal that the U.S. was frivolous about fighting inflation or curbing oil imports.

But Administration officials no wdoubt they can successfully pursue the idea of the fee being passed on in the form of a 10 cents a gallon petrol tax increase.

So far this week, a lower court judge has slapped down the petrol tax aspect of the plan (thus preventing the import fee petrol tax rise coming into effect yesterday), and on Capitol Hill, House and Senate committees voted down the fee by sizeable majorities. By the Administration's own admission the tax nicreases will add a half percentage point to the 1980 inflation rate. The Government has already appealed against the lower court ruling.

Mr. William Miller, the Treasury Secretary, however, told Congress this week that inflationary pressures would be greater without the fee—the logic here being that, without reductions in U.S. consumption, American demand would allow members of the Organisation of Petroleum Exporting Countries (OPEC) to go on raising prices in a tight market. That would push up U.S. inflation and the country's payments deficit.

The timing of Saudi Arabia's announcement of \$2 a barrel price increase this week has been seized on by the Carter Administration to reinforce argument for the import fee.

The price rise pointed up the need to cut imports, officials said, but inconveniently for the Administration, some Congressmen draw the opposite conclusion: that imposition of an import fee would show OPEC the U.S. is ready to pay any ransom for its oil.

Mr. Carter van veto a resolution of Congress blocking the import fee, but that veto can in turn be over-ridden by two-thirds of each House and, in the opinion of expert nose counters like Mr. Tip O'Neill, Speaker of the House, there may be that many Senators and Congressmen disinclined to take political risks in an election year.

Solomon urges tax rise

BY STEWART FLEMING IN NEW YORK

MR. ANTHONY SOLOMON, the newly-appointed president of the New York Federal Reserve Bank, has called for further "substantial excise taxes" on petrol to curb U.S. oil consumption.

In his first major speech since succeeding Mr. Paul Volcker, now the Federal Reserve chairman, as president of the New York Fed, Mr. Solomon presented a gloomy outlook for the world economy and financial markets.

A central theme of his remarks was that the problems were in part "the consequences of oil price and supply instabilities are not going to go away and may grow still worse during the next five years."

In a tough statement of what he believes should be the thrust of U.S. policy towards the oil producing countries, Mr. Solomon said: "Our objectives should be to take out of OPEC's hands the ability to force real oil prices higher, to unlock OPEC restraints on oil production and to retain in our country the money that would otherwise be paid as a tax to OPEC members in the form of higher oil prices."

To this end he put forward the vie wthat some form of costs should be undertaken, for example by sharply increasing U.S. taxes on oil and using the proceeds to support energy development at home and to remove deeply-rooted inflationary biases from the economy.

Peruvian poll on Sunday

BY DOREEN GILLESPIE IN LIMA

NOISY POLITICAL rallies which have filled Lima's main plazas every night for the past week come to an end today two days before some 6.5m Peruvians go to the polls to elect a President and Congress on Sunday.

Peru's first Presidential elections since 1963 end 12 years of military rule which have veered from a nationalistic Left-wing Government in its early days to middle-of-the-road over the past five years.

The new civilian Government, scheduled to be installed on July 28, will find the Government's finances recorded and the books balanced in a complete turnaround from the country's shaky position of less than two years ago. But unemployment is heavy and high inflation has only been kept in check by heavy subsidies.

There are 15 candidates for President, many of whom should become members of Congress and the Presidential race has narrowed to three men.

Vying practically neck and neck for the lead, according to latest opinion polls, are former President Fernando Belaunde who was ousted by the military government in 1968, and the aggressive leader of the Apra Party, Sr. Armando Villanueva.

Close behind them is the former mayor of Lima, Sr Luis Bedoya, leader of the popular Christian Party. Polls show Sr. Bedoya gaining popularity is Lima, mainly from the weather, but both Sr. Belaunde and Sr. Villanueva have greater strength in the provinces.

Cuba silent on refugees

WASHINGTON—The U.S. is in touch with Cuba over President Jimmy Carter's proposal for an orderly exodus of Cuban refugees, but so far Havana has not said it will agree to the plan, a White House official said yesterday.

Mr. Carter announced on Wednesday that he was halting the illegal and hazardous sea-lift of refugees aboard a fleet of small boats that has carried more than 40,000 Cubans to Florida.

Instead he called for an organised and humane ferrying of people from Cuba by air and sea, giving priority to political prisoners, relatives of Cuban-Americans, and people still in the Peruvian Embassy and the U.S. diplomatic mission in Havana.

The U.S. would no longer allow itself to be used as a "dumping ground" for Cuban criminals and mental patients, the President said.

Agencies

Tokyo concedes on car demands but resists change on contracts

BY RICHARD C. HANSON IN TOKYO

U.S. TRADE officials said yesterday "significant progress" had ben made on settling motor car and parts trade problems with Japan. Four dayso f talks, however, failed to resolve a dispute over opening Japan's telephone and telegraph monopoly to foreign suppliers.

Mr. Reubin Askew, the U.S. Special Trade Representative, said the lack of agreement on freeing Nippon Telegraph and Telephone (NTT) to buy from U.S. companies is now the "single most important trade issue between our two countries."

If agreement is not reached by the start of next year, Japanese companies, under U.S. law, will be cut off from access to U.S. Government procurement contracts, he warned. U.S. law on trade reciprocity states that there should be a balance between countries on the opportunities for procuring government contracts.

Mr. Askew estimated that the value of U.S. contracts on which Japanese companies can theoretically bid amounts to abou t $16bn while Japanese Government procurement contracts open to foreigners are less than half that amount.

The Japanese side promised to continue discussions on the NTT issue. The problem for Japan is complicated by the fact that NTT relies on a tight-knit group of influential telecommunications equipment suppliers. NTT has so far refused to agree to liberalise its technical or other standards to make feasible foreign bids for equipment supplies.

U.S. officials appeared satisfied by the Japanese Government's "package" aimed at increasing the import of U.S. motor products. These, as expected, include a decision to seek elimination "in principle" of tariffs by April, 1981, on a number of car parts, changes in import standards, and procedures to facilitate more imports, and the despatch of trade missions to the U.S. to buy parts and study investment in American component plants.

These measures should also benefit European motor manufacturers, who so far have been far more successful in selling to Japan than the Americans. The volume of sales remains minuscule, however.

The U.S. Government is still pushing for comitments from the big Japanese motor companies to manufacture passenger cars in the U.S.

Honda Motor has already decided to produce cars there and Nissan is planning a small-truck producing plant. But neither Nissan nor Toyota Motor, the largest Japanese car maker, are prepared to plunge into car production.

The Japanese argue that the scale of their sales in the U.S. market (which in most cases average around 10,000 units per month of a single model) is not yet large enough to sustain commercial production.

Toyota, which has commissioned three feasibility studies on the U.S. market on top of its research to date, is like Nissan, likely to aim initially at small truck manufacturing. It already has a plant to produce truck backs for assembly with imported truck cabs and chassis.

The U.S. Government has backed away from the alternative of restricting (voluntarily or otherwise) the import of Japanese cars, mainly for reasons of "national interest." Mr. Askew estimated that restricting Japanese imports this year (to the 1979 level) would cost the U.S. consumer about $2bn because of increased price tags.

Higher-priced small cars would also tend to boost sales of big (gas-guzzling) American-built cars.

Within two years, the big Detroit manufacturers will be presenting more efficient cars. In the meantime, the U.S. Government is seeking to hold down the protectionist sentiment growing in the U.S. industry.

Both sides are hoping this week's "progress" on overall car trade will reduce the pressure for protectionist steps.

Alfa deal with Nissan approved by IRI

By Rupert Cornwell in Rome

IRI (Istituto per la Ricostruzione Industriale), the giant Italian state conglomerate, has given its formal, if implicit, approval for the proposed controversial joint venture between its subsidiary Alfa Romeo and the Japanese car group, Nissan.

Approval came with the backing by the IRI Board of a 10-year plan aimed at securing the financial recovery of the loss-making Italian car manufacturer. Although the deal with Nissan was not mentioned specifically, the holding company endorsed Alfa's intention to launch a joint venture with an unspecified foreign partner.

The Nissan/Alfa agreement, now awaiting final ratification from the Italian Government, calls for the construction of a new plant near Naples to build 60,000 small and medium-sized cars a year. They would be based on the Nissan Cherry model, but would contain 80 per cent of Italian parts, including the engines.

However, Industry Minister, Sig. Antonio Bisaglia, in a grim report to a parliamentary committee on the troubled state of the country's motor industry, made clear that a final government decision is still some way off.

He emphasised that the difficulties faced by Italian manufacturers, notably Fiat which has announced plans to lay off 78,000 workers for a total of a week over the next two months, meant that even greater care had to be taken over the Alfa/Nissan proposals.

UK to urge EEC curbs if Brazil fails to lower tariffs

BY HUGH O'SHAUGHNESSY

BRITAIN WILL press for quick action within the EEC to limit imports from Brazil if the Government in Brasilia does not take rapid measures to liberalise its import policies.

This was stated in London yesterday by Mr. John Nott, Secretary of State for Trade, who has just returned from a visit to Brazil. "We are not satisfied with our inability to surmount high tariffs," he commented.

Mr. Nott said that Britain would be seeking action to limit access to the EEC market through the (GSP) Generalised System of Preferences for the imports of developing countries whose future is currently being discussed in Brussels.

The Minister hinted that Britain would demand action within months. "I found that there was less awareness in Brazil of the head of steam building up here about the protectionism in the newl yindustrialised countries than there was in South Korea which I visited recently," he commented.

He distributed a speech he had delivered to the British Chamber of Commerce in Sao Paulo, on May 8, in which he said: 'If we are to continue to take Brazilian shoes and textiles, for instance—then you must take ours. The worker who is made redundant finds it hard to understand the need for imports from elsewhere in the best of times—but to do so when the exports of his own firm are blocked leads him to understandably reject the whole open trading system," he said.

At the same time he welcomed the limited moves taken by Brazil in December to liberalise exports. He did not, however, comment on more recent moves to make foreign exchange dearer for Brazilian importers.

Mr. Nott forecast that Brazil would still be able to borrow widely on the international capital markets to meet its balance of payments difficulties, but added that the spread and maturities for loans could become less favourable to Brazil.

While adopting a tough position about Brazilian protectionism, Mr. Nott pointed to major areas of potential growth for British exports, including steel, transport and military equipment and, in particular, coal-extraction machinery. He had clearly been pushing the HS-146 as a replacement for the aircraft now used on the various Brazilian shuttle services.

Curbs seen on Comecon motors

BY ELAINE WILLIAMS

West European manufacturers are likely to seek stronger curbs on imports of electric motors from East European countries if current EEC Commission measures do not quickly halt widescale dumping.

Electric motor makers are disappointed by the Commission's action in February of asking for voluntary price increases on imported motors. They are investigating imports to see if the East European countries have kept their promise to raise prices.

Apart from the Soviet Union, which was singled out for a special tariff, Bulgaria, Hungary, Czechoslovakia, East Germany, Romania and Poland all agreed to increase their prices between 30 and 50 per cent.

The motors cover the 1 to 100 hp (0.75 to 75 kilowatt) range and are used widely in industry as parts of machine tools, heating and ventilating equipment and pumps.

European manufacturers are worried that the full price increase of such motors will not be passed on to the customer. They fear that importers will accept lower profit margins by offering bigger discounts.

Factories in Europe are already running at about 70 per cent capacity because of a recession in manufacturing industry. This was exacerbated by low-priced imports which led to an EEC inquiry.

Last year import penetration by Comecon-produced goods countries reached as high as 50 per cent in The Netherlands, 27 per cent in Belgium and 25 per cent in Italy.

In 1978, for example, East European imports accounted for about 28 per cent of the EEC market, worth about $30m. The Commission's action to curb these imports followed complaints by EEC countries that import volumes had risen from 462,000 units in the whole of 1975 to 469,000 in the first half of 1979.

The UK, by comparison, has been little affected by cheap motor imports. Last year imports to the UK were 14 per cent compared with a peak of 24.5 per cent in 1974.

Third World resists U.S. call to end subsidies

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has run into a sharp protest from developing countries in talks here on application of the most important agreement in the Tokyo Round trade package aimed at reducing the use of export and domestic subsidies.

Several Third World delegates told the U.S. that their countries might boycott not only the agreement on subsidies but the entire Tokyo Round package if the U.S. does not honour a pledge to give developing countries preferential treatment without first seeking reciprocal concessions.

They argue that the U.S. should not force them to end subsidies as a condition for access to U.S. markets without the imposition of punitive countervailing import duties.

Without Third World support the General Agreement on Tariffs and Trade which sponsored the Tokyo Round package would be "dismembered," developing country diplomats warned the U.S. here last week.

The agreement on subsidies and countervailing duties was a major U.S. demand in the Tokyo Round negotiations. Its main thrust is towards ensuring that the Common Market does not use domestic and export subsidies in ways such as seriously to harm domestic market shares of local U.S. companies.

But an important provision asks developing countries to make a "commitment" to phase out subsidies given to successful export industries if they wish to benefit from another clause which prohibits an importing nation from applying countervailing duties without first proving "material injury" to domestic industry.

● The European Free Trade Association (EFTA) said it will reduce tariff duties on Spanish imports from July under an agreement aimed at gradually abolishing all obstacles to commerce with Madrid, Reuter reports from Geneva.

Strong expansion in UK exports to Netherlands

BY CHARLES BATCHELOR IN AMSTERDAM

BRITISH EXPORTS to The Netherlands expanded strongly in the first quarter of 1980, taking the UK into a small surplus for the first time in several years. British dairy and chemical exports rose strongly though Dutch exports of transport equipment slightly exceeded imports.

British exports rose 48 per cent over the same period in 1979 to £920.2m FOB while Dutch exports were only 19 per cent higher at £917.7m CIF, according to figures released by the British Embassy in The Hague. British trade showed a surplus of £2.5m compared with a deficit of £147.2m last year.

Developments in the first three months continued the trend of the final quarter of last year, although in 1979 as a whole the British deficit was 43 per cent higher at £383.7m.

The Netherlands exported £127.5m of foodstuffs, excluding dairying products, ot Britain—nearly double the British exports of £65.4m. Britain exported more than three times as much dairy produce, however, £42.1m compared with Dutch exports of £12.47m.

Dutch oil and oil products worth £239.7m went to the UK compared with British exports of £215.3m. The usual pattern of chemical trade was reversed, with Britain exporting products worth £189.2m compared with Dutch sales of £151.4m.

Dutch exports of £43.6m worth of transport equipment exceeded British exports of £40.70m. British machinery exports were worth £136.4m compared with imports of £111.9m.

Hypo Bank

BAYERISCHE Hypotheken-und Wechsel-Bank (Hypo Bank), told shareholders at the annual meeting that 1980 earnings have not so far been satisfactory. Hypo "would have to make special efforts"

Textile talks fail

WASHINGTON — The U.S. and China have ended negotiations without reaching any agreement on limiting China's exports of textiles and apparel to the U.S. through a bilateral trade arrangement. Mr. Reiter Webb, the chief U.S. textile trade negotiator, said the U.S. had offered to allow substantial increases in imports of Chinese textile products, but there were insuperable difficulties in negotiations (AP).

French win Mozambique power contract

PARIS — CGEE Alsthom, a unit of the Alsthom-Atlantique electrical engineering group, has been selected to be the main contractor for the first stage of the Mozambique national power company's high-voltage electrification project, in association with Italian interests.

The contract will involve the supply of equipment worth a total of FFr 430m (£45m) of which about a half will come from France.

A power gril with 1.500 miles of 110 and 220-kilovolt power lines, and numerous switching stations is to be set up.

The Italian firm SAE will supply the overhead lines for the first stage of the project and the French company Cogelex the switching stations.

The French side of the contract will be financed by part of a FFr 600m credit line opened by France earlier this year.

● Technip S.A., a French engineering concern, has been awarded a FFr 100m contract to build a bottling plant in Tanzania.

The order was placed by the state-owned Tanzania Saruji Corporation. The plant, with an annual capacity of 20,000 tons, will be built at Mwanza. (AP)

UK NEWS

Comet's cut-price challenge to television rental giants

NEWS ANALYSIS ● David Churchill, Consumer Affairs Correspondent, assesses a new challenge to the television rental industry.

THE COMET discount stores chain has launched a major attempt to break into the fiercely competitive television rental industry. Comet has introduced television rental facilities in all its 150 stores throughout the UK at prices below those of the leading rental companies.

Comet's move, aimed at taking up to 10 per cent of the rental market, is a further escalation of the fierce competition in television rental at a time when the overall market is showing little growth.

In fact the overall rental market—which accounts for about 66 per cent of all households with televisions—has shown a slight decline over the past two years. And trade estimates suggest that the rental market will be only 52 per cent by 1984.

This decline has been mainly due to the fact that the penetration of households with colour television sets has almost reached saturation. About three-quarters of all households now own or rent a colour television set, and industry estimates that the total colour market will not exceed 80 per cent.

The rental industry is also having to come to terms with the proposed tax changes, announced by the Chancellor in the Budget, which will reduce the capital allowances available to television rental companies.

As Mr Eric Starkey, marketing director of Radio Rentals, pointed out at the recent Radio, Electrical and Television Retailers' Association conference: "It is evident that the market television rental has reached a plateau."

The Comet discount stores chain, which has established itself as a major force in electrical appliance retailing, believes that a combination of its aggressive marketing techniques and cut-prices can build a profitable market share in spite of the limited long-term growth prospects.

About 60 per cent of the rental market is accounted for by some five companies. Thorn Television Rentals has nearly 30 per cent of the market through its Radio Rentals, D.E.R. and Multibroadcast operating subsidiaries. Granada is the second largest operator, followed by Electronic Rentals, Rediffusion, and Telefusion.

Comet, however, hopes to join this select band of major rental companies through making inroads into the 40 per cent of the market accounted for by small specialist rental companies which operate on a regional basis. It will offer a 22-inch television—the most popular size with consumers—at £8.40 a month, well below the rentals charged by the major companies.

Mr Starkey, however, i s sceptical about cut-prices. "I am becoming concerned for the profitability of some rental transactions I see advertised at rentals up to £2 below the rental majors,' he says. "The majors have been in business long enough to know about such big mistakes because they have made some of them themselves."

"And," he points out, "the major companies have bought up those busineses that have made more mistakes than they have."

With the pressure on sales of television sets and other consumer durables as a result of the slide into economic recession, Comet believes that a move into television rental can be a useful cash flow and profits generator. It already has the showrooms and has 1,000 service engineers.

For similar reasons, the Currys electrical retail chain has also moved into television rental.

Although the rental trade believes that both the Comet and simply that we as an industry are not doing enough about promoting rental as a concept. We have been too busy with administration and not sufficiently sales orientated."

Currys rental operations will secure a corner of the market through discounting, there is scepticism about the long-term prospects. "The market in television rental alone will not grow from now on at a pace which will provide growing profits," says Mr Starkey.

The economics of television rental mean that the rental rates have to cover not only the cost of the set, plus the cost of servicing it (maintenance costs are rising by 20 per cent at present over a number of years, but also allow for a level of depreciation high enough to replace the asset when the time comes.

Tootal to phase out bookcloth manufacture

THE Tootal group is to phase out the manufacture of book covering materials, including PVC, at its Winterbottom Products plant in Salford, Manchester, because of a "progressive and accelerating decline in the demand for bookcloth."

The plant will concentrate on Imperial reprographic products.

The decision will mean the loss of about 150 jobs out of 226. The board has started consultations with trales unions.

Heart hospital help

PRIVATE PATIENTS PLAN, the second biggest medical insurance organisation in the UK, is to give equipment costing about £25,000 for the heart transplant programme at Papworth Hospital, Cambridge, and is prepared to make a similar gift to Harefield Hospital.

Brewers' opposition

THE BREWERS Society and the Tobacco Advisory Council drew up objections to the proposal to remove alcohol and tobacco from the retail price index, to be made in an adjournment debate in the Commons today.

Rates on empty business properties to be cut

BY ROBIN PAULEY

THE maximum rate chargeable by local authorities on empty commercial properties is to be reduced, so easing problems faced by small businesses.

Mr. Tom King, the Local Government Planning and Land Bill to reduce the maximum allowed level of rates on empty commercial and industrial property from 100 per cent of the ordinary ocupied rates to 50 per cent.

Rating of empty property is discretionary. The 198 authorities which chose to do in 1979-80 it raised about £55m.

There is an additional mandatory penal surcharge on empty commercial property which will be abolished. "It costs more to administer than it produces in revenue because of the many exemptions," Mr. King said.

Local authorities are also required to grant an initial free period of three months when a property becomes empty, but an amendment will allow the Government to vary that period. The maximum rate chargeable will also be variable, depending on the type of property and its location. This will provide a means of giving extra help in depressed areas.

Mr. King said a review of the current rules showed that the levying of the empty property rate at high levels:

● Had little effect in encouraging owners to sell or let empty property;

● Discouraged and prevented rationalisation and useful modification of industrial properties;

● Imposed severe burdens on small businesses with cash-flow problems.

In extreme cases it had also caused owners to demolish or damage their property rather continue paying high rates on empty property.

London Chamber of Commerce and Industry said it welcomed the moves, particularly the removal of hte "inl- reduction of the maximum rate was too little.

The whole question of rating empty property was based on a "Centre Point fallacy" that owners deliberately left property empty, it said. Property was often left empty because of delays by local authorities in granting planning permission.

● The Government is to allow elderly people in difficulty with rdate arrears to make arrangements with local authorities to pay their accruing rate bills from the subsequent sale of their home, which might be thir only asset.

The Government also intends to enable women separated from their husbands but remaining in the former matrimonial home to apply for a rate rebate. At the moment they are not entitled to a rate rebate even if the family had previously received one.

Holiday projects grants awarded

GRANTS TOTALLING £277,727 for educational and recreational schemes mainly for children and young people during the summer holidays have been announced by the Environment Department. The money will go to finance schemes in urban areas with a high level of social need.

This summer, 237 holiday projects put forward by 99 local authorities, costing about £370,302, have been approved under the Government's Urban Programme. The Government will meet 75 per cent of their cost; the balance will be met by the local authorities concerned.

Impressionists hold top prices

SALEROOM

BY PAMELA JUDGE

THE high-rolling week in New York for collecting Impressionists and modern paintings and sculpture continued on Wednesday night, when Sotheby Parke Bernet sold all but 18 lots for a total of £3.2m.

"Argenteuil: flowers by the river bank," by Monet, made the highest price at £248,908. A world record of £174,672 was given for a Miro. A Picasso entitled "Seated woman" fetched £128,821.

"Chrysanthemums" by Chagall went for £78,603; women and children in a landscape by Pierre-Auguste Renoir £76,419; and a sunset meadow scene at Eragay by Pissarro £74,236.

Christie's New York sale made £459,698. "Solitude," a drawing by de Chirico, went for £72,052 and watercolours by Klee for £48,034 and £34,934, to Japanese and Geneva dealers.

In Geneva the same night Christie's completed its sale of objects of vertu with a world record price of £125,654 for a Russian gold box. Attributed to Jeremie Pauzie of St. Petersburg, the 1761 snuff box presented by the Empress Elizabeth to Count Nikolaus Esterhazy. Over three sessions the sale made £690,666.

Clocks and watches brought £328,432, a Swiss dealer giving £22,135 for a 17th-century German mystery clock signed Jo. Meiss (circa 1650).

In London yesterday Sotheby's sold English and foreign silver and plate for £62,995. A Victorian centrepiece went to an Australian buyer for £3,600. W. Kaye paid £2,300 for a George I tapering cylindrical coffee pot.

Sterling M3 growth within target

BY DAVID MARSH

STERLING M3, the broadly-defined money supply, rose a seasonally-adjusted £180m, or 0.3 per cent, in the four weeks to mid-April.

This brought its annual rate of growth in the 10 months since mid-June down to 10 per cent, within the Government's target range of 7 to 11 per cent.

The annual increase in the nine months to mid-March was 10.7 per cent. Over the last six months the annualised rate of growth has been only 6½ per cent.

The narrowly-defined money supply, M1, fell £100m, or 0.4 per cent, after seasonal adjustment mainly because of a fall of £270m in non-interest-bearing deposits.

Bank of England figures yesterday showed that sterling lending to the private sector rose sharply, to £1.55bn, in April from £439m in March.

The expansionary influence of bank lending was offset by a large surplus in the public sector and sizeable sales of Government debt to the non-bank private sector. As a result domestic credit expansion dropped slightly from March, to £671m.

External and foreign currency finance again had a negative impact on domestic credit expansion, implying a further outflow of sterling

GROWTH OF MONETARY AGGREGATES (£m)

	MONEY STOCK M1 Unadjusted	MONEY STOCK M1 Seasonally adjusted	MONEY STOCK M1 %	MONEY STOCK STERLING M3 Unadjusted	MONEY STOCK STERLING M3 Seasonally adjusted	MONEY STOCK STERLING M3 %	BANK LENDING* Unadjusted	BANK LENDING* Seasonally adjusted	DOMESTIC CREDIT EXPANSION Unadjusted	DOMESTIC CREDIT EXPANSION Seasonally adjusted
1979										
April 18	+1,515	+772	+3.0	+1,608	+1,015	+2.0	+ 543	+ 660	+1,754	+1,211
May 16	− 186	+ 79	+0.3	+ 420	+ 784	+1.5	+ 607	+ 629	+ 505	+ 897
June 20	− 404	−293	−1.1	+ 609	+ 461	+0.9	+1,099	+ 840	+1,150	+ 550
July 18	+ 772	+596	+2.2	+ 777	+ 449	+0.9	+1,132	+ 475	+ 968	+ 512
August 15	− 13	+133	+0.5	+ 282	+ 751	+1.4	+ 145	+ 678	+ 815	+1,201
September 19	+ 34	+180	+0.7	+ 316	+ 363	+0.7	+ 112	+ 472	+ 763	+1,005
October 17	+1,107	+814	+3.0	+1,209	+1,004	+1.9	+1,348	+1,183	+1,774	+1,657
November 21	− 776	−419	−1.5	+ 206	+ 547	+1.0	+ 713	+ 698	+ 868	+1,211
December 12	+ 607	− 98	−0.4	+ 458	+ 42	+0.1	− 454	+ 185	+ 419	+ 96
1980										
January 16	− 783	+ 49	+0.2	+ 206	+ 492	+0.9	+2,067	+1,371	+ 467	+ 738
February 20	− 836	−410	−1.5	− 156	− 274	+0.5	+ 568	+ 501	− 300	+ 271
March 19	+ 494	+303	+1.1	+ 14	+ 252	+0.4	+ 8	+ 439	+ 239	+ 709
April 16	+ 739	−104	−0.4	+1,001	+ 176	+0.3	+1,477	+1,546	+1,552	+ 671

* To private sector in sterling including Bank of England issue department holdings of commercial bills.

Source: Bank of England

هكذا من الأصل

JOHN ELLIOTT CONSIDERS THE CHOICES FOR THE CBI

Hunt for Methven successor

THE HUNT for a director-general of the Confederation of British Industry to succeed the late Sir John Methven is about to start. Spencer Stuart, the company of head hunters which helped find Sir John in 1976, is expected to be appointed to conduct the search, and advertisements will be placed in newspapers and magazines soon.

A salary of £35,000 to £45,000 a year is likely to be offered. A higher figure might be agreed but it is unlikely there would be support from all CBI members, especially small businessmen, for anything much above £70,000.

A draft specification is to be discussed by CBI leaders with the head hunters soon.

It envisages the ideal candidate as being a proven businessman of 45 to 50, with direct experience of working in industry and of dealing with Government, trade unions and the Press.

He would be someone who, after holding the CBI job for about five years, could become the chairman of a major private sector company — the career development Sir John was planning when he died last month at the age of 54.

The final specification is unlikely to envisage finding someone identical to Sir John. It would be difficult to match his single-mindedness, energy, drive and determination.

No front runners have emerged, although some names are being discussed informally. It is expected there will be two candidates from CBI head office.

They are Mr. Brian Rigby, 47, a director of Laporte until he joined the CBI as a deputy director-general in 1978, and Mr. Richard Dixon, 45, a former television reporter who is social affairs director and was one of Sir John's closest advisers.

There have been suggestions that one or two businessmen who have been regional CBI chairmen might put their names forward. Mr. Alan Devereux, the former Scottish chairman, is thought to be one possibility.

Directors-general of trade federations have also been mentioned, including Mr. Ken Cooper. He was a civil servant until he joined the National Federation of Building Trades Employers last year.

None of these is likely to be an early favourite because wider industrial experience is sought. Chairmen and chief executives of the largest companies, such as Sir Alex Jarratt of Reed International and Sir Michael Edwardes of BL, are generally discounted because they are considered too senior.

Such an appointment could pose problems for a CBI president and his president's committee which is filled with people of similar rang and stature.

Ideally, the candidate will be one rung down the industrial hierarchy for example, a deputy chairman of a major company or a chief executive of one slightly smaller. The problem is to find someone of this rank with the necessary experience.

Sir Derek Rayner, joint managing director of Marks and Spencer, who is helping the Prime Minister to prune the Civil Service and who has had earlier experience of Whitehall and of dealings with the Press, has been mentioned as an example.

Sir Raymond Pennock, who becomes CBI president on Wednesday, will make the final choice after taking advice from an inner group of industrialists who have helped run the CBI during recent year. They include Sir John Greenborough, the retiring president, Sir John Partridge, Lord Watkinson and Lord Plowden.

The CBI's annual dinner and annual general meeting next week, as well as the monthly council meeting on Wednesday, will provide occasions for possible candidates to be discussed.

The CBI hopes to make an appointment quickly enough for the new director-general to appear at its annual conference in November.

Granada appeal on steel leak delayed

By Raymond Hughes, Law Courts Correspondent

THE British Steel Corporation's legal efforts to discover leaked its confidential documents to Granada Television are being delayed by pressure of business in the House of Lords judicial committee.

The Law Lords will not have time before the next law term beginning on June 3 to hear Granada's petition for leave tto appeal against the order that it must name the Corporation employee who gave it the documents.

Four judges have so far ruled that Granada must name its source. The original ruling by the Vice-Chancellor, Sir Robert Megarry, that Granada had no legal right to protect its informant was upheld by Lord Denning and two other Appeal Court judges earlier this month.

In a ruling widely criticised in the Press, the Appeal Court said that Granada had behaved irresponsibily and so forfeited the right to maintain the confidentiality of its source.

The documents, believed to have been leaked by a senior BSC employee, formed the basis of a World In Action programme that was highly critical of the corporation's management.

The Appeal Court granted Granada a seven-day stay of the disclosure order on condition that the company immediately petitioned the House of Lords for leave to appeal.

Granada's petition was lodged last week, so, in spite of delay before it can be heard, the stay will remain in force until the Law Lords reach a decision.

Britons expected to spend £1.2bn on package holidays by air

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SPENDING BY Britons on foreign package holidays by air is expected to be £1.2bn this year, compared with £813m last year, and £574m in 1978.

The Civil Aviation Authority has allowed Britain's air travel organisers to offer more than 6.1m air holidays, compared with 5.3m last year and 4.17m in 1978.

The £1.2bn represents the spending by the 6.1m on the basic cost — air fares, hotels and ancillary items, such as bus travel to and from airports.

It does not include spending on holiday, on such items as food, drink, car hire, taxis, touvenirs or entertainment.

Total spending is expected to be substantially greater, according to some estimates at least twice £1.2bn.

The biggest air holiday operator is Thomson Travel, part of the Thomson Travel group which includes Britannia Airways, with 796,063 passengers, against 734,000 last year.

Second is British Airways, whose Silver Wing Surface Arrangements subsidiary (Sovereign and Enterprise Holidays) expects to carry about 458,962 passengers, against 360,552 last year.

Horizon Midland expects to carry 351,000 passengers, against 304,000 last year, and Cosmos Air Holidays expects 339,000 passengers, against 342,000.

Together they account for nearly 2m seats, or about one-third of the market.

Thirty travel organisers have been granted rights for package holidays overseas this year.

Cosmos Tours' programme may intensify long-haul price war

BY ARTHUR SANDLES

THE LONG-HAUL package tour price-war is likely to intensify because Cosmos Tours' one of Britain's big-three tour operators, has launched a programme for next winter which offers 10-day trips to China for £498, tours to the U.S. for £234, and a visit to Thailand for £374.

Cosmos has provoked price battles before, and the travel trade will now be watching how main budget-price rival Intasun reacts. The two operators have clashed in the U.S. market, pushing lead prices for two-week holidays below £200 this summer.

Mr. Sidney Silver, managing director of Cosmos, said the company used its "ingenuity, expertise and buying-power in bringing the exotic and fascinating countries of the Far East to the mass market."

The company's talents, however, have been aided by a market in which the pound is riding high, where the British, unlike the Americans, are eager to tarvel and are in demand, and in which the world's ever-expanding air network is looking for custom.

That travel is becoming a buyer's market is illustrated by Mr. Silver's comments yesterday about Spain. Introducing his winter programmes, he said: "There is no doubt that Spain has been making a very big effort in providing more help to tour-operators, and has mostly regained standards of service that were perhaps lost in trying to keep down prices. On average, our prices to Spain are only 3 per cent up on last winter."

Apart from such long-haul temptations as a Christmas shopping-week in New York for £241, a 16-day trip to Waikiki Beach for £664, and a holiday in Hong Kong for £358, the brochure includes eight days on the Costa del Sol from £86, four days on the Costa Brava for £76, and a two-country visit to Egypt and Israel from £284.

Quality of rivers 'put at risk'

BRITAIN'S RIVERS are being put at risk by cuts in spending on sewage treatment works, the 500,000 - member National Federation of Anglers said at its annual conference at Scarborough.

Mr. Gerald Rollinson, chairman of the federation's fisheries and research committee, told the 800 delegates spending cuts by water authorities would lead to deterioration in the quality of rivers.

There were clear indications that the Government was being urged not to implement the pollution laws for another two to three years because of the cost.

Second tunnel

The second Dartford Tunnel under the Thames, costing almost £37m, will open to traffic at noon today. The present tunnel is used by 10m vehicles a year.

Havers plan to speed fraud cases

A FOUR-POINT plan for speeding up long and expensive fraud cases was put forward by Sir Michael Havers, the Attorney General, last night.

- Only "the real villains" should be prosecuted, not those on the fringes.
- Cross-examination should be short and precise.
- Judges' summings-up should be as short as possible.
- Courts should not lose even 10 minutes in a day's normal five hours' sitting.

Sir Michael said that if something along these lines was not achieved, there would be even greater and more unacceptable delays.

The longer the trial, the greater the opportunity for something to go wrong—such as jurors being "nobbled"—and the possibility of the case having to be started again, at enormous public expense.

Toiletry sales

ALBRIGHT AND WILSON, part of the U.S.-based Tenneco group, has set up a new company in the U.S., Albright and Wilson Inc., to promote sales of its toiletry and detergent materials, organic specialty chemicals, and oter phosphorous derivates. Albright's annual turnover is about £400m.

Cash aid call to boost coal

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE Government should give industry additional financial incentives to encourage the conversion of its boilers from oil-firing to coal, according to Mr. Malcolm Edwards, the National Coal Board's director-general of marketing.

Mr. Edwards, writing in Coal and Energy Quarterly, noted that some support was given through existing Government schemes, such as conversion grants for raising boiler efficiency.

But he added: "What is required now to help those companies which are locked into oil and gas and which can and wish to burn coal is the provision of capital by changes in the present system of grants and tax relief, or other methods that create a positive incentive."

He said that at a time of relatively low world economic activity, British industry was struggling to remain competitive, let alone plan for the next ten years. But the time scale for new boiler installations from design to operation ranged from one to two years for small plant, up to ten years for major installations.

Industry must be given tangible support if it was to avoid a log jam in the supply of coal-fired boilers which could arise as North Sea oil and gas diminished.

It was vital for the Coal Board to recapture the greater part of the industrial bulk heating market. "The industrial market offers the Board a better opportunity than any alternative of increasing coal sales during the next 20 years," he said.

Recycling plant opens

THE glass-container industry's first recycling centre was opened near Alloa, Scotland, yesterday. The £500,000 plant has been purpose-built to sort, clean, crush and process more than 50,000 tonnes of waste glass, equivalent to 175m bottles and jars, collected each year through the bottle-bank scheme sponsored by the Glass Manufacturers' Federation.

Mr. John Small, group managing director of United Glass, said recycling was one of the greatest contributions industry could make to environmental conservation.

In 1978 six Scottish district councils agreed to co-operate in a pilot scheme. Its success encouraged Unitex Glass to build the industry's first recycling centre in spite of the economic recession.

Mr. Small said confidence in the "Scottish people's legendary thriftiness" was already being repaid—44 bottle-banks were operating in 21 Scottish cities and towns and that in the first three months of 1980 more waste glass was collected than during all 1979.

Britcar gains franchise for Maserati

BRITCAR HOLDINGS, which owns Subaru (UK) and Jensen Parts and Service is acquiring the sole UK franchise rights for Maserati and De Tomaso cars.

International Motors will be the new holding company responsible for Subaru (UK) (Subaru concessionaires), Jensen Parts and Service (Jensen parts distributors) and Modena Concessionaires (Maserati and De Tomaso concessionaires).

Each individual company will be separately financed

UK NEWS

Pensions body offers top job

By Christine Moir

THE NATIONAL Association of Pension Funds is to appoint a full-time director-general, Mr. Michael Pilch, the chairman, said at yesterday's annual meeting in Brighton.

The decision follows pressure from a ginger group of managers of some larger pension funds, particularly nationalised industry funds.

The association is believed to be looking for a high-level civil servant with a salary in excess of £30,000.

The ginger group has argued for more than a year that the movement needed a spokesman who could be seen to be independent of individual companies.

Not easy

At one stage it offered to pay the director-general's salary. However, this was rejected yesterday and the salary will be met from the association's internal resources.

Mr. Pilch said it would not be easy to find the right person. "Since we shall not be seeking the assistance of Lazard Freres, it may well be some time before a suitable candidate emerges."

Membership of the association was voluntary, he said, but its 2,000 members represented almost all the country's 9m workers in occupational pension schemes.

GLC displays dock road plans

PLANS and photographs of the proposed 6½-mile Docklands Southern Relief Road from Bermondsey to Woolwich are now on display by Greater London Council at libraries near the route, said the GLC at the week-end.

The plans can be seen at Bermondsey, Rotherhithe, Cubitt Town and Greenwich libraries.

Formal objections to the compulsory purchase order should reach the Minister of Transport before June 13; objections to the side roads order and tunnel schemes before June 18.

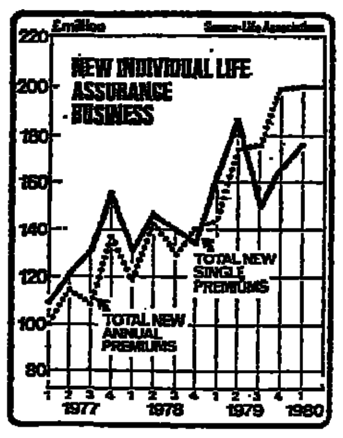
Life policies increase 45% in first quarter

BY ERIC SHORT

FIGURES PUBLISHED yesterday for the first quarter of 1980 show that new annual premiums for individual life assurance and annuities placed with life assurance companies operating in the UK increased by 45 per cent over the corresponding quarter of last year to £178m.

The figures, issued by the life company associations, also show that in the same quarter single premiums improved by 8 per cent from £144m to £156m.

Thus annual premium business was only slightly lower than in the final quarter of 1979, while single premiums rose marginally.



Unit-linked life sales continued to be buoyant for regular savings plans with annual premiums rising 65 per cent, compared with the corresponding quarter in 1979, totalling £34.6m. But this figure was slightly below sales in the final quarter last year, the best ever for annual premium business.

Industrial life business, where agents collect premiums from the homes of policy-holders, continued to benefit from the change in the system of grant tax relief. New annual premiums advanced by 47 per cent to £53.8m. This was the final period when such a boost will apply. Ordinary life business increased by 37 per cent from £65.4m to £89.6m despite a dull house purchase market.

Single premium business in the linked life sector was comparatively dull in the quarter, declining by 1.7 per cent to £67.5m. This business suffered from competition from high yielding income bonds which accounted for the 17.5 per cent rise in ordinary single premiums to £88.5m.

Personal pension business, mainly from the self-employed, rose steadily during the quarter. New annual premium business was 10 per cent higher at £22m, with both ordinary and unit-linked business rising by this amount. Single premiums also improved by 10 per cent, the whole of the rise coming from ordinary business. Linked single premiums remained static.

Thus new annual premiums from individual assurances, annuities and personal pensions increased by 40 per cent compared with the first quarter of 1979 to reach £200m. Single premiums were 8.5 per cent higher at £177m.

British Steel output recovers quickly

BY ROY HODSON

THE British Steel Corporation is working at more than 90 per cent of the production levels achieved in the weeks before the strike which crippled the industry early this year.

Figures issued jointly by the public and private steelmaking sectors show that total British production recovered quickly and averaged 247,100 tonnes a week during April. A year earlier the average was 464,800 tonnes.

By the end of April British Steel's production has reached more than 80 per cent of the pre-strike level, and is now more than 90 per cent.

British Steel said: "This rate of recovery hs been well ahead of expectations, particularly in veiw of the length of the stoppage."

Production was cut by 10 per cent on the TUC's Day of Action this week. Some mills were able to carry on as usual by rolling semi-finished steel from stock, and others carried out maintenance work and will be able to recover lost output during the next two weeks.

Trouble with hte 5,000 tonnes-a-day blast furnace at Llanwern strip mills in South Wales, is reducing the works' output of finished steel. The corporation suspect the furnace's lining may have been damaged by the unit being maintained in a damped-down condition during the three-month strike.

At other BSC works, the blast furnaces are performing better than expected after being out of action for so long.

During the January-March period of the strike, total British production of steel averaged 59,200 tonnes a week compared with more than 400,000 tonnes a week in the corresponding period last year.

Approval for £39m by-pass

PLANS FOR the £39m Hayes by-pass have been approved by the Greater London Council's north area planning committees.

Formal consultation will now be held on the detailed line of the proposed 3½-mile route.

Tax frauds 'not probed'

By Tim Dickson

SUSPECTED tax frauds involving millions of pounds are not being investigated because of Inland Revenue staff shortages, according to an article in The Link, the Society of Civil and Public Servants' journal.

Entertainment and "moonlighting" in particular merit attention, but are not getting it.

The article highlights the Inland Revenue's investigation section which is mainly responsible for policing the "black economy," apart from the work on evasion and fraud undertaken by the tax inspectorate's departmental grades. The "black economy" was recently estimated to represent an annual revenue loss of £3bn.

Sub-contract fraud is the major source of the investigation section's work, according to the article. But "not even all these cases are able to be accepted.

"The reason is that there is insufficient staff to handle the work."

A recent exercise apparently uncovered frauds where nearly 50 people from one town were proscuted for offences involving construction industry tax exemption forms.

"The location was not exceptional and such an operation could be repeated in many towns in the United Kingdom."

British link for Dutch line

A DUTCH company, Transover Ferry Services, is to start a daily roll-on/roll-off ferry service between Great Yarmouth and Harlingen in North Holland. The service will carry freight primarily and will begin on June 2.

Transover, which was established last year by a number of Frisian road hauliers, has chartered two German ro-ro ships, the Anglia and the Dania. They will depart from Monday to Saturday at 18.00 hours, arriving the next day at 07.30.

Simpler rates reform proposed

BY ROBIN PAULEY

A SIMPLER alternative scheme for reforming the rate support system has been produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

It fulfils the Government's *main objectives*, including cutting off unlimited grant for high-spending local authorities

The scheme may find favour with the local authority associations, which are strongly opposed to the Government's own plans for funding local authority spending.

The association's own alternatives were rejected out of hand by Mr. Michael Heseltine, Environment Secretary. He felt they did not deal adequately with pre-emption of grant by high-spending authorities.

The Association of Metropolitan Authorities is reviewing CIPFA's plan.

The CIPFA proposals retain the present system of two separate elements in the amounts of grant payable by the Government:

● The needs element attempts to level out differences between authorities in how much they need to spend per head of population based on a range of factors (e.g. number of schoolchildren, one-parent families, elderly people):

● The resources element attempts to bring local authority rate bases—that is, funds they can raise through the rate system—up to a centrally-defined level.

Some authorities receive both elements, some only one, depending on their resources.

The main problem with the present system is that the more authorities spend, the higher the grant. This means that high-spending authorities automatically receive more and more central Government funds, an arrangement which Mr Heseltine regards as unfair, a disincentive to good housekeeping and an incentive to profligate Labour authorities to spend at taxpayer's expense.

CIPFA's scheme would end that, a prime Government objective, by progressively withdrawing taxpayer's money to support the build up of a *resources base*. The resources base is the total of the rateable values on houses and offices which determines *how* much a *local* authority receives in rates.

Any authority choosing to levy a rate in the pound above the threshold would progressively lose Government grant, forcinug the ratepaper to fund extra expenditure.

The Government's block grant scheme would achieve this objective by amalgamating present elements into a single or unitary grant. But the Government's scheme would require it to state its views on what each authority ought to spend, an unwarranted central Government intrusion in the eyes of the local authorities.

The advantage of CIPFA's scheme is that by moving the emphasis of its calculations from the needs part of the formula to resources the Government would only have to state the extent to which it could afford to give out money in order broadly to achieve its view of equitable distribution of grant. There would be no need to make any explicit reference to assessed expenditure needs.

Although assessment of need *would underpin the system it* would be no more than a way of distributing grant. It would minimise the danger that assessed needs would become the yardstick to measure actual spending. Pressure on authorities spending below their assessed level to increase expenditure up to the "right" figure would also be minimised.

Authorities above a certain standard rateable value per head would not receive resources grant sanctions against those authorities if they over spent.

This could be overcome by introducing a system of clawing back grant from authorities with a resource base greater than the standard. The extent of clawback would depend on the level of spending chosen by each authority and could take the form of a reduction in needs element grant rather than a physical payment by the authority to the Government.

Environment Department officials who have checked the CIPFA *scheme confirm privately* that it meets the main Government objectives and that the principal reason for not adopting it would be political.

It would need the full support of the local authority associations, because the Government is unlikely to replace one opposed scheme with another.

It will also need to be decided in a hurry as the parliamentary report stage of the Local Government Planning and Land Bill is only three or four weeks away.

Having struggled to get block grant through the standing committee stage, the Government might be reluctant to accept a completely new financial proposal which is so similar to its own.

CONTRACTS

£7m building at naval hospital

MARPLES RIDGWAY has been awarded a £7m contract in connection with the Royal Naval Hospital at Haslar, Gosport, by the PSA's directorate of Defence Services. The work which consists of new buildings within the grounds of R.N.H. Haslar and alteration and reconstruction of existing structures is expected to begin in June 1980 and will take three years to complete.

★

NEI REYROLLE of Hebburn has been awarded the contract for the supply of the 3.3 kV auxiliary switchgear valued at around £2m for the Drax B power station in Yorkshire.

★

The power and water division of BABCOCK-BRISTOL — a member of the Babcock Industrial and Electricals Products Group—is supply instrumentation and control equipment worth about £1m for the CEGB's Dinorwic power station, Wales, the largest pumped storage power scheme in Europe.

★

MATHER AND PLATT has won an order worth almost £1m, from McDermott Hudson for the supply of four high pressure seawater injection pumpsets for Amoco's N. W. Hutton Field in the North Sea. The contract includes the supply of three nine stage full cartridge withdrawal, barrel casing design pumps and one six stage high pressure booster pump 9150 p.s.i.g. hydrotest.

★

MATHER AND PLATT, Manchester, has won an order worth over £360,000 for the supply of four six inch boiler feed pumpsets and auxiliary equipment. Ordered by N.E.I. International Combustion, Derby, the equipment is for use at British Steel Corporation, Port Talbot.

★

An order, worth about £200,000, has been won by the Reading branch of N. G. Bailey and Company for the complete electrical installation at a new Tesco superstore and multi-storey car park at Wokingham, Berks.

★

HUMPHREYS AND GLASGOW SERVICES has been awarded a mechanical services contract totalling £250,000 by Blyth and Blyth (M and E), Edinburgh. The work for Arthur Bell and Sons covers extensions to the Dunfermline bottling plant and replacing an existing boiler at Broxburn. The main contractor in both cases is Holland, Hannen and Cubitts (Scotland).

★

The engineering division of AEG-TELEFUNKEN (UK) has received an order valued over $3.5m (£1.5m) for 30 kV and 6 kV power cable to be installed at the Ras Lanuf ethylene complex, from Stone and Webster Engineering as agent for the Azzawiya Oil Refinery Company, operating in the Social People's Libyan Arab Jamahiriya. The total package which includes 123 km of 30 kV underground cable and 50 km of 6 kV XLPE cable will be manufactured by AEG-KABEL in West Germany.

★

A fork lift truck hire contract worth more than £144,000 has been awarded to the northern regional branch of HARVEY PLANT, Edinburgh. The order is for the supply of 11 fork lift trucks to the National steel foundry at Leven.

Civil Servants attempt to circumvent suspensions

BY PHILIP BASSETT, LABOUR STAFF

THE LARGEST Civil Service trade union effectively agreed yesterday to cut the pay awarded to members on strike in an attempt to circumvent the Government's growing tactic of suspending Civil Service and Post Office strikers.

The annual conference of the Civil and Public Services Association instructed the incoming Right-wing executive of the union to prepare a new industrial action policy.

The present code for taking industrial action was drawn up in 1969. A central strand of the policy is the payment by the union of full net pay to those called out on official strike.

While this policy gives the union freedom to bring its members out in selected key areas such as computer centres, and ability to sustain the action over a long period if necessary, it was effectively countered by the Government last year during the Civil Service and Post Office strikes, which severely disrupted cash flow to Government and the Post Office corporation.

The Government suspended large numbers of strikers, particularly in the Scottish Office, for refusing to carry out their normal duties. The CPSA then deemed those suspended to be on official strike, and began to pay them full strike pay accordingly.

The result was that the union strikes cost it more than £2m last year, and after a membership ballot it transferred £½m from its general to its fighting fund to help meet the cost.

Mr. Ray Alderson, for the CPSA national executive, said that the Government's response to the union's strike policy of suspending employees was "effectively handing control of the strike to management."

The union is also concerned that it has been unable to give official backing to requests for support for strike action because of the cost.

Delegates decided yesterday to convene a special conference to formulate the new policy if necessary. The main effect of any change would be to reduce the level of strike pay, either on a sliding scale in relation to the numbers involved, or to a level of £10 or £20.

Welfare capitalism impossible, says Benn

BY JOHN LLOYD

THE GOVERNMENT'S central purpose is to overcome trade union opposition to its strategy and to "pulverise Labour's power base in industry and neutralise its political voice and Parliamentary prospects," Mr. Anthony Wedgwood Benn, the Labour Party's leading Left winger, said last night.

Mr. Benn, who was giving a Granada lecture at the London City Guildhall, made a sweeping analysis of labour-capital relations over the past four decades.

In a Granada lecture last week, Mr. James Prior, the Employment Secretary, called on trade unions to "put their house in order" and management to give a more positive lead.

Mr. Benn, however, explicitly rejected the kind of consensus on which such manoeuvres would be based, saying it had ended with the Conservative's General Election victory last year.

He said: "To put it in plain language, 40 years of experience of trying to pretend that welfare capitalism was possible, successful and permanent, and could melt away the conflict between Labour and capital, have proved that it cannot be done."

The Government had adopted a political programme "designed to bring about a fundamental and irreversible shift in the balance of wealth and power in favour of the owners of capital at the expense of working people and their families," the greatest opposition to which came from the trade unions.

However, he said, sinc ethe consensus had clearly broken down, the class system could be seen to remain in existence, with its privileges unchanged or even re-inforced. That was why present policies could never win general consent.

"When the monetarists have completed their task and have lost the public support which gave them their initial Parliamentary majority, a new Government will be elected to reconstruct the economy on a new basis," Mr. Benn said.

A "new constitutional settlement" with the unions would include greatly extended negotiations on the whole range of company policy, "with a requirement to agree on all these matters before company policy is decided."

Trade unions would become more active in education

On the Government's side, there would have to be a commitment to public enterprise. "If market forces are to be accepted as the ultimate determinant of economic development, capital can dictate the terms and insist upon compliance by Parliament and people," Mr. Benn said.

Number of cleaners confidential

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Civil Service Union is not entitled to see certain of the information on which the Ministry of Defence decided to change from direct labour to contract labour for office cleaning, a High Court judge ruled yesterday.

The information—about numbers of cleaners involved and hours it was intended they should work—was confidential and protected from disclosure under the Employment Protection Act, 1975, said Mr. Justice Forbes.

The union, which regards the matter as a test case, is likely to appeal against the ruling. Although the case concerned only 68 cleaners in aBth, the union fears that employment of contract labour in Defence Ministry offices there would be only the beginning of a process that could spread

The judge said that last July the Government had ended a mortorium on changes from direct to contract labour by Government departments. The Ministry of Defence had obtained tenders for the cleaning of its offices in five buildings in Bath and informed the union that it intended changing to contract labour, which would make 68 cleaners redundant.

The union sought information to enable it to challenge the Ministry's argument that the change would save money. When certain information was refused, the union complained to the Central Arbiration Committee. The committee upheld the Ministry's claim of confidentiality.

The judge said that while acknowledging that the actual prices contained in the tenders were confidential, the union was trying to get sufficient information to enable it to calculate those prices.

The CAC had based its finding on the fact that tender forms issued by the Ministry to contractors had been headed "Contracts in confidence." The union argued that in holding that that "label" showed conclusively that the matter was confidential the CAC had misdirected itself.

Rejecitng that argument, the judge said that the tenderers had relied on the "label" to preserve the confidentiality of the information they were giving.

The union's application that the CAC's decision should be quashed was dismissed with costs.

Welsh miners seek £26 a week more

BY ROBIN REEVES, WELSH CORRESPONDENT

SOUTH WALES miners' delegates voted unanimously yesterday to fight for a minimum basic wage of £100 a week for colliery surface-workers in the next miners' pay round, and against pit closures.

The wage demand, approved at the Welsh miners' annual conference in Porthcawl, represents a rise of £26 a week or about 35 per cent for the lowest paid in the industry. They demanded the same £26 increase for all other grades on an across the board basis.

The claim—to be put to the National Union of Mineworkers' national conference in Eastbourne in July—was coupled with a militant declaration of opposition to pit closures, threatened in South Wales as a result of steel industry cuts and increased coking-coal imports.

The conference was undeterred by the weak response to the TUC's Day of Action (miners were the only solid group to stop work in Wales on Wednesday) and the refusal of their own rank-and-file membership to strike last February to support steel workers. It declared its unanimous opposition to plans for slimming down the Welsh coal and steel industry.

The National Coal Board has begun reviewing operating costs of six pits and, according to Mr. Emlyn Williams, South Wales Miners' president, possible closure of up to 20 of the 35 collieries in the loss-making coalfield is to be examined over the next ten months.

An emergency resolution was passed unanimously describing the NCB's pit reviews as a programme for disaster "which we will not accept." It called for withdrawal of closure plans, and for expansion of investment and of the total output capacity of the coalfield.

"We will resist pit closures with the utmost united action of this coalefild and the widest solidarity we can obtain from other industries and the community," the resolution added.

In impassioned speeches, delegates sought to dispel the impression created by a debate on redundancy terms earlier in the wek. This produced widespread calls for substantially higher severance payments where closures were inevitable.

Mr. Williams said it would be necessary for them to galvanise the coalefild on wages and closure issues and on the NCB's promised introduction of a 4-day week. He foresaw conflict with the Government as inevitable, if unions were to meet members' aspirations. The Coal Board was not in a position to meet demands from its own resources, he said.

Star and Express return

By John Lloyd

THE Daily Express and Daily Star were published normally in London and Manchester last night following agreement between Express Newspapers and the Society of Graphical and Allied Trades (SOGAT).

Neither paper was produced in London nor Manchester—the Star's main printing centre—on Wednesday night.

SOGAT took industrial action then following Express Newspapers's success in printing about 180,000 copies of the papers in Manchester on Tuesday night when all other national papers were halted by printers supporting the TUC's Day of Action.

Mr. Victor Matthews, chairman of Express Newspapers, said last night that his threat to close the Star permanently still stood "if there is any more of this nonsense.

"However, I think the anger of Wednesday has been dispelled somewhat, and the Star goes on."

Mrs. Margaret Thatcher, the Prime Minister, told the Commons she hoped the Star would soon be published again. "The Daily Star was only recently set up, and it is always a great event when we get a new newspaper," she said.

Ford workers recalled

FORD yesterday told 6,500 workers laid off at its Halewood plant to report for work this morning in the hope that an unofficial strike in the metal finishing area will be called off.

A formula to end the dispute was agreed between management and union representatives yesterday. It will be put to a meeting of the workers involved this morning.

The dispute, over new work rotas, has been rumbling since early this month. Production was halted when 80 men walked out on Tuesday, and losses have since run at about £3m per day in retail value.

FOOD PRICE MOVEMENTS

	May 15 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton ...	1,230	1,230	1,230
British A.1 per ton ...	1,200	1,200	1,180
Ulster A.1 per ton......	1,200	1,200	1,180
BUTTER†			
NZ per 10 kg	15.50/15.63	15.50/15.63	—
English per 10 kg	18.97	18.67	19.07
Danish salted per 10 kg	19.43	19.43	19.43
CHEESE‡			
English cheddar	—	—	—
Irish cheddar	1,620	1,450/1,460	—
Danish cheddar	1,480	1,480	1,465
EGGS*			
Home produced:			
Size 4	4.15/4.40	—	4.40/4.60
Size 2	4.90/5.00	—	5.00/5.40
	May 15 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	68.0/73.0	69.0/74.0	69.0/74.0
Eire forequarters	46.0/49.0	49.0/52.0	48.0/50.0
LAMB			
English	—	—	—
NZ PLs	61.0/62.0	—	58.0/60.5
NZ PMs	69.0/60.0	—	—
PORK			
All weights	40.0/50.0	41.0/50.0	38.0/49.5
POULTRY			
Oven-ready chickens...	40.5/45.0	40.5/45.0	39.5/48.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks delivered, per tonne.

IPC peace talks fail

By John Lloyd

TALKS between the International Publishing Corporation and the National Union of Journalists to find a formula to end the three-week suspension of the 1,500 journalists in the company's business press, magazine and book publishing divisions ended after four hours last night with little progress made.

Mr. David Greig, the father of the group chapel (office branch) said that IPC would not agree to reinstate his members with full back pay for the three weeks in which they have been dismissed.

The journalists will hold a group chapel meeting this morning to decide on their approach to future talks. A further meeting between the two sides has been provisionally planned for Monday.

The suspension of the journalists, and of the bulk of IPC's magazines, follows a one-day strike by the NUJ in support of its 28 per cent pay claim. IPC has refused to raise its offer from 17 per cent.

20% offer for Tube staff

LONDON TRANSPORT told union leaders yesterday that it was prepared to make a pay offer totalling 20 per cent to Underground staff in return for firm commitments from the unions on a number of specific measures to improve efficiency.

The offer, covering 11,500 workers, appears to meet in broad terms the claim from the rail unions, which sought a similar 20 per cent deal to that achieved for British Rail workers.

UK NEWS – PARLIAMENT and POLITICS

Thatcher rules out early cut in MLR

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN INCREASE in the rate of inflation will be shown when the April figures are announced today, the Prime Minister told the Commons yesterday when she was questioned about the economy.

Mrs. Thatcher also indicated that there was no likelihood of a drop in the present high level of minimum lending rate until the demand for credit diminishes.

It was noticeable that the Prime Minister took a low key approach when she was invited to comment on the TUC's Day of Action. Infact, few Tory backbenchers attempted to make capital out of Wednesday's demonstrations.

Mr. Geraint Howells (Lib. Cardigan) told the Prime Minister that high interest rates were having a disastrous effect on small businesses. He called on her to discuss it with the Chancellor immediately and to recommend that minimum lending rate be lowered forthwith.

The Prime Minister told him: "As a matter of fact, I have discussed it with the Chancellor this morning. The banking figures which were out recently and the money supply figures today indicate there is still a very high demand for borrowing from manufacturing industry and some considerable demand from the personal sector. While that demand remains as high as it is, the interest rate cannot come down."

HOWELLS: "disastrous effect of interest rates"

Mr. George Foulkes (Lab. Ayrshire, South) said inflation was about to reach 21 per cent. He thought the pension increases announced for November were clearly not going to keep pace with inflation and asked what plans the Government had for increasing them.

Mrs. Thatcher replied that it was expected that the inflation rate will rise when it is announced today. There were scornful shouts from the Labour benches when she added: "there are, of course, technical reasons." One of these was that the Budget had been held earlier this year than last.

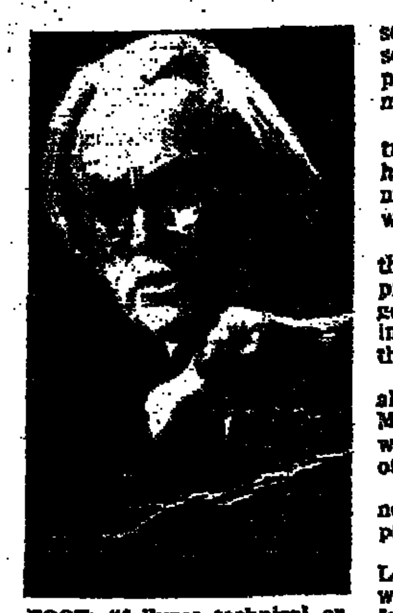
She went on: "There are also *great reasons of substance*—namely very high pay increases not backed by productivity and substantial increases in raw material prices over and above the increase in the price of oil."

Mrs. Thatcher pointed out that the rise in pensions was based on the inflation figure from November last year to November this year. It was too early to tell what that figure would be.

Mr. Esmond Bulmer (C., Kidderminster) likened Wednesday's TUC demonstration to "the rage of Caliban seeing his own face in the glass." It showed, he said, that the policies of the TUC were clearly out of tune with the aspirations of its members.

Mrs. Thatcher told him that she believed the people had given the right verdict which was "carry on, Britain."

Mr. Alan Hazelhurst (C., Saffron Walden), said so many people had ignored the Day of Action that it showed the Government had got its employment legislation about right and that the Employment Bill had widespread support among trade unionists.



FOOT: "failures technical or economic?"

Mrs. Thatcher agreed and said it showed that people would have "no truck" with political strikes and would rather get on with the job.

Mr. Colin Shepherd (C., Hereford) drew attention to the differences in the size of pay settlements between the private sector on the one hand, and public services and public monopolies on the other.

He said this was particularly true of water authorities and his constituents were unable to meet the enormous cost of water and sewage treatment.

Mrs. Thatcher told him that the level of settlements in private manufacturing had, in general, been lower than those in public monopolies, including the water authorities.

One water authority had already been referred to the Monopolies Commission and it was the intention to refer others.

"I hope everyone will take note that competition keeps prices down," he stressed.

Mr. Michael Foot, deputy Leader of the Opposition, asked which of the Government failures she would describe as technical and which were economic.

He wondered if she had seen an interview in yesterday's Evening Standard in which Mr. James Prior, the Employment Secretary, said he could not be held responsible for the failures of the Government.

Sharply, Mrs. Thatcher retorted that the inflation figures to be published today would not go up by anything like the level which the Labour Government had achieved.

Modifying limitations on nationalised industries

By Our Parliamentary Staff

SIR GEOFFREY HOWE, Chancellor of the Exchequer, yesterday confirmed that the Government is to discuss with the National Industries' Chairmen's Group the possibility of modifying the financing arrangements for the nationalised industries, subject to the constraints of overall economic policy.

He was replying to a question from Mr Robert Adley (C., Christchurch and Lymington), who asked about the possibilities of removing limitations on the nationalised industries from embarking on major investment programmes financed by sources other than the Government.

Anatole Kaletsky adds: It is understood that other matters to be discussed will include modifications in the present system of setting cash limits on the nationalised industries, and possible redefinitions of the Public Sector Borrowing Requirement.

The NICG will be represented in the discussions by Sir Francis Tombs, Chairman of the Electricity Council, and by the board members for finance of the gas and electricity *industries*.

The Government side will be led by Mr Bill Ryrie, Second Permanent Secretary of the Treasury.

Vaughan confirms retreat on sight testing charge

BY IVOR OWEN

SOME EXISTING optical charges are likely to be increased to replace the £11m which will be lost to the Exchequer as a result of the Government's decision to drop the proposal to introduce a £2 sight testing fee from April 1 next year.

This was made clear in the Commons last night when the Government's retreat on the sight testing fee—made under strong pressure from Tory backbenchers — was confirmed by Dr. Gerard Vaughan, the Health Minister.

He promised full consultations with the profession before firm decisions are reached on the precise areas in hte "optical field" where the £11m can be obtained.

Dr. Vaughan, who explained that a new clause giving effect to the outcome of these consultations will be added to the Health Services Bill when its report stage is resumed after the Whitsun recess, was sharply attacked by Labour and Liberal MPs.

The Opposition benches were particularly incensed by the fact that the dropping of the sight testing fee first became known through a "leak" instead of by an official announcement to Parliament.

Mr. Roland Moyle, an Opposition spokesman on the Social Services, protested that the introduction of a sight testing fee would have been in direct contravention of election pledges by the Prime Minister that no new Health Service charges would be introduced.

VAUGHAN: decision lost Exchequer £11m

At the same time, he contended that the Government's retreat was the first evidence of a "U-turn."

Amid Labour cheers, he declared: "We look forward to many more of them in the ensuing years, before the general election."

Mrs. Jill Knight, (C. Edgbaston), a central figure in the campaign waged from the Government back-benches to get the sight testing fee dropped, congratulated Dr. Vaughan on his decision.

She said it demonstrated that even when legislation was in its final stages, it was possible to persuade the Government to change its mind.

Underlining the importance of sight testing, Mrs. Knight said the eyes provided an early warning system which could give an indication of health problems in other parts of the body.

Mrs. Knight confidently asserted that there was no question of the sight testing fee proposal being resurrected by the Government at a later stage.

"The Government has heard a great deal of argument," she said, "and it is incomprehensible to me that having listened to it and taken the action it has, that it would go back on that action."

Labour MPs refused to give any credit to Mrs. Knight and her Tory backbench colleagues for the Government's retreat.

Mr. Stan Orme, the "shadow" Social Services Secretary, even suggested that it was the first fruit of the TUC's Day of Action.

PM cautious on hint of Afghan withdrawal

By John Hunt

THE LATEST overtures from the Soviet-backed regime in Afghanistan received a cautious response from the Prime Minister in the Commons yesterday.

A statement from the Kabul Government, put out by Tass, the Soviet News Agency, on Wednesday, hinted at the possibility of withdrawal of Russian forces from Afghanistan.

It also referred to the possibility of Moscow and Washington guaranteeing Afghanistan's relations with Iran and Pakistan.

Mr. David Atkinson (C., Bournemouth East), suggested that the announcement that Afghanistan wished to discuss neutrality might be a timely gimmick to influence the decision of Western countries to send teams to the Olympic Games.

For any arrangement to be acceptable to the West, he said, there would have to be total withdrawal of Soviet influence from Afghanistan, the holding of free elections, and respect for human rights and fundamental freedoms.

Mrs. Thatcher said she had observed the current proposals which were not really very different from the ones published on April 17.

Nevertheless, the Government would have a look at them.

"We also noted that it didn't make provision for the essential withdrawal of Soviet troops from Afghanistan, which most of us would regard as the minimum condition for anyone to consider going to the Olympics," she added.

Mr. Michael Foot, deputy Opposition leader, told her that the meeting of EEC Foreign *Ministers* this weekend would be a convenient opportunity to consider the proposal

Parliament next week

COMMONS

Monday: Housing Bill, remaining stages. Dental Qualifications (EEC recognition) Order.

Tuesday: Housing Bill remaining stages. Upholstered Furniture (Safety) Regulations.

Wednesday: Social Security (No. 2) Bill, remaining stages.

Thursday: Housing Bill, completion of remaining stages. Consideration of Lords Amendments to Social Security Bill.

Friday: The House will rise for the spring adjournment until Monday, June 2.

LORDS

Monday: Transport Bill Committee. Dental Qualification Order.

Tuesday: Employment Bill, second reading.

Wednesday: Debate Multi-Handicapped Blind. Debate on Conservation of Antarctic Marine Living Resources. Tree Bill committee. Questions on wire-tapping.

Thursday: Edward Berry and Doris Ward (Marriage Enabling) Bill, second reading. Industry Bill, third reading. Upholstered Furniture (Safety) Regulations. Question on congestion in the public search room at the General Register Office.

Friday: Royal Assent. Whitsun recess.

The age of high performance is not dead.

In the golden age of Brooklands, the stage was held by thirsty monsters with mighty engines.

Today, with the need to conserve energy, power has to come in subtler packages, or not at all.

The latest and subtlest of these packages is the Audi 200 T.

'T' stands for Turbo. And therein lies the secret of both the 200's power and its economy.

By turbocharging our 2.2 litre 5 cylinder engine, we have transformed its performance.

Its output has soared from 136 to 170 bhp. Yet it is appreciably smoother and quieter than an engine already renowned for smoothness and quietness.

So it's not altogether surprising that the 200 accelerates from 0–60 mph in 8.6 seconds, without a hint of melodrama.

Or that it delivers enormous power for overtaking, not with a roar but a whoosh.

Or even that you can converse easily at 125 mph.

What is surprising is that the 200 combines such performance with an average fuel consumption of 26.6 mpg (DIN).

The reason, however, is simple.

Our turbocharged 2.2 litre 5 cylinder produces roughly the same power as a 2.8 litre six, without its weight and thirst.

Thereby enabling you to reconcile heartfelt love of power with hard-headed common sense.

In its fixtures and fittings, the 200 owes nothing, we confess, to economy.

As well as such predictable refinements as central locking, power steering, electric windows and sun roof, alloy wheels and seat height adjustment, it also features a number of unusual luxuries, all as standard.

As, for instance, cruise control. A stereo radio/cassette system with four speakers. A digital clock. Heated front seats. Even electrically operated and heated external mirrors.

In short, it has everything you'd expect in a £15,000 luxury saloon.

Except that the Audi 200 costs £12,950.

Which just goes to show that the age of high performance isn't just alive and well.

It is also comfortably within reach.

The new Audi 200 Turbo.

Audi The car for now.

AUTOMATIC GEARBOX STANDARD. 5-SPEED MANUAL SPORTS GEARBOX FREE OPTIONAL EXTRA. CRUISE CONTROL AVAILABLE ON AUTOMATIC ONLY. OFFICIAL FUEL CONSUMPTION FIGURES FOR THE AUDI 200 ARE URBAN CYCLE 18.0 MPG (15.7 LITRES/100 KM) MANUAL AND 18.3 MPG (15.4 LITRES/100 KM) AUTOMATIC; AT 56 MPH: 31.7 MPG (8.9 LITRES/100 KM) MANUAL AND 28.2 MPG (10.0 LITRES/100 KM) AUTOMATIC; AT 75 MPH: 23.9 MPG (11.8 LITRES/100 KM) MANUAL AND 21.9 MPG (12.9 LITRES/100 KM) AUTOMATIC. FOR MORE INFORMATION WRITE TO: AUDI MARKETING DEPARTMENT, VOLKSWAGEN (GB) LIMITED, YEOMAN'S DRIVE, BLAKELANDS, MILTON KEYNES, BUCKS MK14 5AN. DIPLOMATIC, NATO AND PERSONAL EXPORT SALES: 95 BAKER STREET, LONDON W.1. TELEPHONE: 01-486 8411.

ENERGY REVIEW

BY MARTIN DICKSON

Why the world must take action now on coal

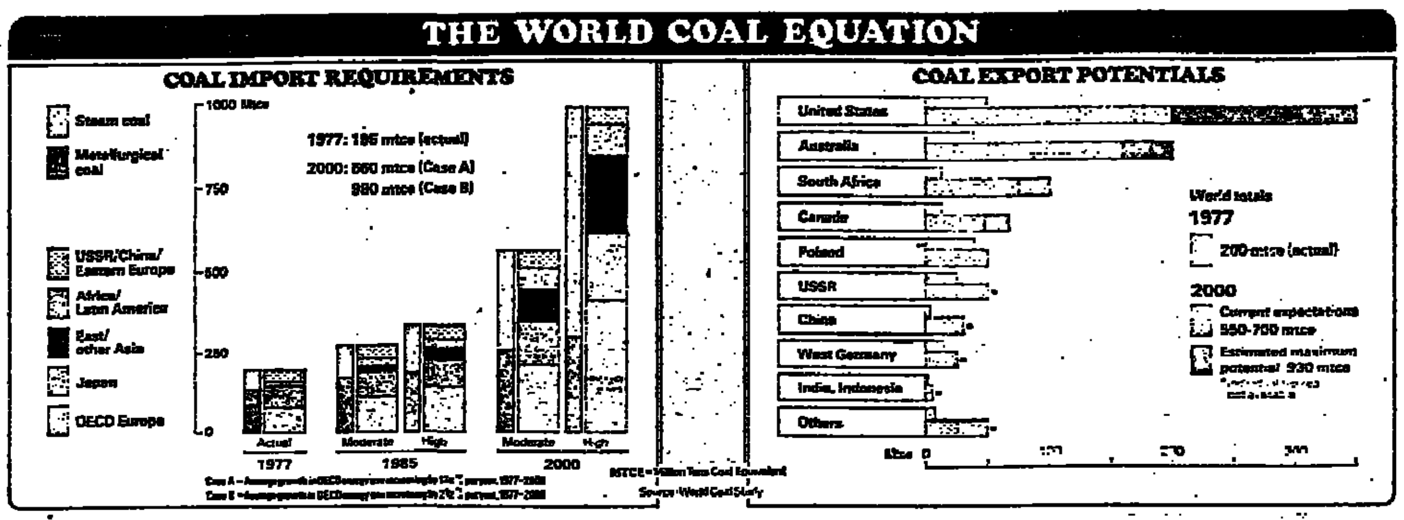
OLD KING COAL, the fuel which fell from grace in the era of cheap oil, is about to make a triumphant return.

With oil supplies uncertain and faith in nuclear power far from universal, the world is turning back to coal as the saviour of its standard of living and a spur to growth for at least the next few decades.

This new coal boom will have a ripple effect far beyond the mining industry and on a scale as yet little appreciated. It will require railways, ports and ships to transport the fuel, and power stations and industrial boilers in which to burn it.

It will set off new trading patterns, with significant effects on balance of payments. And it will give a new tilt to the world's geo-political energy balance, with industrialised nations such as the U.S. and Australia emerging as the key coal exporters.

THE WORLD COAL EQUATION



Woken up

With the wisdom of hindsight it is remarkable that this was not foreseen earlier. But in the cheap oil era of the 1950s and 1960s, when coal was an ailing industry, only a few lonely voices crying in the wilderness (notably at the National Coal Board) posed the question: What happens when oil supplies start to dwindle?

It took the 1973-74 oil crisis for people to examine the issue seriously and since then, the world has woken up only slowly to coal's central new role.

That role has been brought into focus more sharply than ever before by a major new study, published this week, which seems destined to be the coal industry's bible for years to come.

It is the report of the World Coal Study*—otherwise known as Wocol—an 18-month inquiry by an 80-strong team from 16 major coal producing and using countries into the fuel's prospects. The team, which included representatives from China and Poland, but not the Soviet Union, was led by Professor Carroll Wilson of the Massachusetts Institute of Technology.

The result is the most comprehensive study yet of the international coal trade and a warning to Governments and industry that they must act quickly and co-operatively if coal is to bridge the energy gap which could threatn the world by the year 2000.

Wocol argues that limited oil supplies, nuclear controversy and the generation of relatively small amounts of power from alternative sources, mean that coal consumption may have to triple over the next two decades to meet world energy demand. International trade in steam coal—used in power stations and industrial boilers—might need to rise between 10- and 15-fold.

If this happens, it says, then the energy problems of the next two decades can be faced with confidence. If not, then "the outlook is bleak."

Is such an expansion possible? Wocol believes that it is, provided that the international community appreciates the long lead times involved in setting up a "coal chain" from mine to consumer and acts quickly to provide these. But the problems of synchronising the operations are great, as a closer look at the *supply/demand equation demonstrates.'*

Wocol's starting point on the demand side are two alternative forecasts of the growth of energy consumption among the industrialised countries belonging to the Organisatio nfor Economic Co-operation and Development, which between them account for 85 per cent of the energy consumed outside the centrally planned economies.

Case A assumes that this growth will average a relatively modest 1.75 per cent a year up to the year 2000 and concludes that OECD coal requirements will double to 2,000m tonnes of coal equivalent (mtce being a standard measure of coal's variable heat content).

Faster

Under Case B, which assumes a faster 2.5 per cent growth rate, OECD consumption would treble to 3,025 mtce. These figures, combined with more tentative ones for the remainder of the world, suggest that total coal use will have to expand from 2.5bn tce in 1977 to between 6bn and 7bn tce by 2000—an annual growth rate of 4 to 4.5 per cent a year.

Most coal will be used, as it is today, to generate electricity. *Forecasting in this area is* bedevilled by uncertainty over the nuclear contribution, but in the OECD alone the demand for power station coal could rise from 600 mtce in 1977 to 1,325 mtce in 2000, under Case A, or 1,850 mtce, under Case B.

Growth in the demand for metallurgical coal, used in the depressed iron and steel industries, will be relatively modest, but the use of coal in industrial boilers is expected to expand rapidly after 1985, while a substantial new market could develop in the 1990s in the production of synthetic oil and gas from coal.

To meet this demand, there will have to be a major increase in the scale of international coal trade, which today amounts to just 200 mtce a year, 8 per cent of global consumption. Some 70 per cent of it is in metallurgical coal.

Wocol estimates that the trade would have to increase between three and five times by 2000: to 560 mtce under Case A and to 980 mtce under Case B—equivalent to nearly half the oil exported from OPEC countries in 1979.

The increase in steam coal trade would be even more dramatic, rising by a factor of 12 under Case B or up to 15 times if nuclear delays and oil supply limitations complicated *matters still further.* Japan, which now imports only 2 mtce a year of steam coal could require between 20 and 50 times that amount by the end of the century, making it the world's largest steam coal importer.

New pattern

This would set in motion a new pattern of energy trade flows. Wocol estimates that the U.S. will have the greatest export potential, with the ability (though not as yet the intention) to reach a maximum of 350 mtce a year by 2000. Other major exporters would include Australia (up to 200 mtce), South Africa (up to 100 mtce), Canada (up to 67 mtce), Poland and the Soviet Union (up to 50 mtce each) and China (up to 30 mtce).

The largest trade flows would probably be from the U.S., Australia, South Africa, Canada and Poland to Western Europe, Jpn nd other East Asian ports. (Britain, being virtually self-sufficient in coal, would have liltle role to play.)

The U.S. an dAustralia would bear a particularly heavy burden if coal demand approached the Case B level. The U.S. might have to expand exports by 150 mtce above the 200 mtce it now expects to ship at the turn of the century, making it the world's balancing supplier of steam coal.

But as Wocol warns: "Expand U.S. exports to levels of 300-400 mtce a year would require overcoming significant physical and institutional obstacles, including a general lack of awareness within the U.S. that here may be a demand for such expanded export levels. A recent Government projection, for example, anticipated export requirements of only 100 mtce in the year 2000."

There is no point digging up the coal unless you have transport to get it to the consumer and new boilers and power stations in which to burn the fuel. The provision of these facilities involves long and differering lead times—up to 10 years in the case of some power stations—so there are strong possibilities of bottlenecks developing.

Can these physical problems be solved? Again, Wocol's answer is yes, provided action is taken in time. It sees little problem in the provision of capital to fund these new coal chains. It estimates that around $200bn will be required in the OECD countries—large in absolute terms but less than 1 per cent of the aggregate capital formation expected in these countries up to 2000.

It says that 5m tonnes dwt of new coal carrying vessels could be needed every year for the next 20 years, with ships of up to 250,000 tonnes dwt emerging in the 1990s. But this, it argues, would be well within the capacity of the world's shipbuilding industry—and at a cost of $35bn-45bn would give it a welcome economic boost.

Moreover, by the turn of the century a substantial proportion of the world's merchant fleet could have reverted to coal firing, with the building up of bunkering facilities along international routes.

But though Wocol focusses on the nature of the supply/demand problem with impressive clarity, it is beyond its brief to draw up a blueprint for a solution. That will be left to the interplay of Governments and market forces.

Clearly, the oil multinationals will have a crucial role to play in developing a coherent market. Their long experience in the vertical integration of the oil industry gives them the opportunity to play a dominant role in the coal trade and they have been diversifying strongly into the sector in recent years.

Roger Taylor

Coal stocks at the Tilbury B power station, near London, exceed the ½m tons shown here.

BP, for example, is now the eighth largest private sector coal producer in the world, with output of 15.3m tonnes last year. Shell aims to win 10 to 15 per cent of the coal trade—broadly in line with its stake in international oil movemehts. It has been estimated that by 1985 oil-based companies could control about 40 per cent of U.S. coal output.

Balance

But the task facing Governments will be even more crucial: fostering the right climate in which the trade can develop. This includes striking a careful balance between the demands of environmentalists and energy requirements. A major constraint on the development of the coal trade could be the increasingly long times required to gain planning consents for mines, transport facilities and power stations.

There are already signs that Wocol has acted as a powerful catalyst, forcing governments to think more carefully about coal. For example, it emerged during study debates that several countries, notably Japan, lacked confidence in the ability of the U.S. to match promises about export availability with secure supplies. As a result, the U.S. Department of Energy is now compiling a list of recommended measures which the Government could take to reassure its coal trading partners.

Meanwhile, the newly formed Coal Industry Advisory Board of the International Energy Agency is drawing up firm proposals to triple the West's use of coal by 2000. It hopes to put these to governments by the end of the year.

At its recent inaugural meeting in Paris, the CIAB emphasised that many Western Governments had so far taken no significant steps to tackle the "horrendous" problem of expanding their coal industries.

With their minds concentrated by the Wocol study, governments may now start to translate their oft-expressed verbal support for coal into deeds.

As Wocol itself observes: "Declarations of intent are not self-executing. They require action. We believe that a deeper public understanding of the importance of coal to the world's future is necessary if the numerous steps by local, regional and national governments, by international agencies and by public and private investors are to be taken in time to allow expanded use of coal to provide a major part of the energy required for the world's continued economic growth."

* *Coal. Bridge to the Future Report of the World Coal Study. Harper and Row, £7.95.*

How not to break the rules

Brij Khindaria analyses the latest UN code of conduct

AFTER A DECADE of in-fighting and debate among the nations of the industrialised and developing world, a major United Nations agreement has just been reached on the international regulation of business activites.

Differences over the status of the agreement and its ponderous title of "Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices," both obscure the significance of the document. For represents the first element in a package of agreements which will regulate, on an unprecedentedly broad basis, the multinational activities of companies. It will also serve as a model for domestic legislation in many developing countries.

The onl yexisting agreement of conduct for multi-national of this kind is a voluntary code concluded under auspicies of the 23 nation organisation for economic co-operation and development (OECD).

The background to the OECD code, and to the whole movement towards international business guidelines and codes of conduct, was discussed at length on this page on April 22. The Geneva agreement on guidelines to control Restrictive Business Practices has taken matters a major step further, not least because it reflects a new willingness on both sides to seek pragmatic solutions to extremely difficult problems.

Concluded under the auspices of the United Nations Conference on Trade and Development (UNCTAD), the "Principles and Rules" are the first major UN accord concerning international regulation of business operations. Other negotiations still under way in the United Nations system include those for a code of conduct for technology transfer, and for a separate overall code of conduct for transnational enterprises.

Negotiations for the Geneva guidelines were first begun about 10 years ago in response to Third World complaints that transnational corporations use subsidiaries based in developing countries to dominate local markets, and to prevent imports of rival products from other sources.

The stated purpose of the guidelines is to prevent any practices of multinational companies, whether privately or state owned, which could harm the foreign trade interests or the economic development of developing countries.

Although this is not explicitly stated anywhere in the text, application of the "principles and rules" will be voluntary. The question is how voluntary?

In order to settle a long-standing dispute with developing countries which wanted a legally binding treaty, the United States at the last minute suggested that the "principles and rules" should be made part of a United Nationals General Assembly resolution asking governments to "encourage" enterprises to observe the "recommendations' contained in them. The general assembly is expected to approve such a resolution in September.

Developing countries accepted the suggestion in view of their belief that a General Assembly resolution is binding in its effect because of the United Nations' great prestige, although legally its implementation is voluntary. Such a resolution is in any case binding for the work of United Nations' specialised agencies.

On the other hand, Western countries—which are seen as laying less store by General Assembly resolutions—expect that the "principles and rules" will carry less weight even than voluntary guidelines because they will only be General Assembly recommendations.

Anticipating such an attitude, developing countries insisted on the creation of a new group to oversee and regularly assess the application of the guidelines. If they are not satisfied with the attention paid in practice to the "principles and rules" by governments of industrialised countries, they will insist on a binding treaty at the review conference after five years.

An intergovernmental group of experts will be created within UNCTAD's secretariat to monitor the guidelines' application and to prepare annual evaluation reports, as well as to promote information exchanges among signatory countries.

Abuses

The key sections of the "principles and rules" concern transactions between related enterprises, including those based in different countries, irrespective of whether they are privately or state-owned.

All companies must "refrain from" business practices which involve abuse of a "dominant position of market power" limit access to markets or "unduly restrain" competition, the text says.

But related companies are exempted from the "principles and rules" if, because they are under common control or cannot act independently of each other, they form a single "economic entity." Whether such companies act as an economic entity would be established by investigation of each transaction alleged to involve abuse of market dominance, even if the same companies are clearly not a single economic entity for other purposes.

The intergovernmental group of experts cannot in any case "act like a tribunal or otherwise pass judgment on the activities or conduct of individual governments or of individual enterprises in connection with a specific business transaction." Nor can it investigate alleged abuses.

The text also says the group should "avoid becoming involved" when enterprises involved in a specific transaction are in dispute.

The guidelines do not include any penalties for companies using restrictive business practices. At best, a host country government can seek consultations with the subsidiary's foreign parent or with the parent's government of origin.

But there is no provision for conciliation or arbitration. The U.S. argued that a conciliation procedure was unnecessary because such a procedure included in the OECD's code of conduct for multinational companies has never been used. On the other hand, the OECD code is applied only by industrialised countries.

Although the "principles and rules" are universally aplicable by all governments and all companies, the concept of abuse of market power has been considerably narrowed down in a footnote to a key provision in the text.

Included on U.S. insistence, this says that whether a business practice is abusive should be examined on a case-by-case basis in the light of its purpose and effects on the actual market, and whether it affects the foreign trade interests rather than the domestic industrial interests of the host developing country.

The "organisational, managerial and legal relationshipk among the enterprises concerned" must also beexamined to determine whether the restrictive effect occurs only within the related enterpises or also spreads outside them.

Governments remain free to enact local laws concerning the control of restrice business practices but developing countries are asked not to discriminate in favour of domestic companies. Industrialised countries are asked to take account in their own regulations of the interests of developing countries, such as the ned to boost home industries and promote cooperation with other developing nations.

Japan's management style suffers transplant trials

BY JASON CRISP

AN English personnel manager responsible for more than 700 people in a Midlands engineering firm took a similar position with a Japanese company in the UK. He took six months to find out what his job entailed. It was doing the chairman's filing.

Not very many Japanese companies operate in Britain, though the Government is keen to attract them. Two senior members of the present administration, John Nott and Lord Trenchard, have already been to Japan to tell them our labour relations are no worse than those of other countries, and they should invest in Britain. An "inward investment" delegation of Japanese companies has also visited Britain recently.

But in spite of a number of reports of good labour relations and high productivity in Japanese companies in the UK, it is not all a bed of roses. A revealing seminar at the beginning of this month, organised by ICERD (International Centre for Economics and Related Disciplines), showed that many British managers had considerable difficulty in adapting to the Japanese style of management. It would also appear that the Japanese are not always totally enthralled with their British workforces.

Though there generally is goodwill on both sides, a yawning chasm exists between the two management styles.

the part of Briitsh managers working for the Japanese was the lack of opportunity for promotion, and often they did not hold jobs with real responsibility or power—however grand their titles might be.

This, you might say, is reminiscent of complaints from everyone who work for a foreign owned company and who does not fare as well as the parent company's nationals.

The very strong grip the Japanese have on their UK subsidiaries might be attributed to their relatively recent arrival in this country, but it would appear from the British managers who spoke at the conference to be much more powerful and pervasive than, say, the influence of American-owned companies—of whom similar complaints used to be made.

A good example of the difference in styles in management was demonstrated by more than one manager who remarked that when the British *are* promoted, their colleagues are often mystified as to the Japanese management's choice.

As one explained: "Somebody who is 100 per cent competent at his job can be passed over in favour of somebody who is not. The Japanese seem very unprofessional in their assessment of personnel. Their concern is much less directed at whether someone is competent or not than at people's relationships with their colleagues, and at their general attitude."

There would appear to be at least two very significant

differences in management style which are not easily comprehended by the British.

First, a manager's tasks are not at all well defined in Japanese companies. Even the borderline between someone who is a manager and someone who is not is not clearly defined, as it is in this country. And then there is a lack of job description. British managers complained that they were not quite sure what they were supposed to be doing and that the Japanese preferred to build the job around the man.

The second, and even greater, difference is in what the Japanese see as desirable characteristics in a manager. While we admire competence and depth of knowledge the Japanese care about attitude and breadth of knowledge. Because most non-nationals have not worked for the parent company in Japan, they cannot grasp the breadth of the company as well as a Japanese.

In Japan the good manager is a generalist. One of the results is that the manager can be shifted into a completely different job for which he has no skills, and for no apparent reason and without consultation.

The seminar revealed a considerable difference in the experience of British managers working for trading companies and banks on the one hand, and manufacturing companies on the other.

Th trading houses, all based in London, had predominantly Japanese staff and the small number of British "managers" seemed to be much more frustrated than those working for manufacturing companies. Several of the British working in a trading house admitted that, in spite of their titles, they were not really part of management at all.

One argued that the culture difference between the Japanese trading houses and manufacturing industry was probably as big as that between East and West. Certainly those managers from manufacturing companies appeared to be more content and to have more responsibility. There were also genearly far fewer Japanese in the company —in one only the financial director was Japanese.

Nobumitsu Kagami, of the Nomura Research Institute, explained that the trading houses were less dcentralised than manufacturing companies, which is why they would want to retain a prominently Japanese management. He said that trading houses and banks traditionaly attracted Japanese university graduates who had studied English; they were easier to send overseas than their counterparts in manufacturing companies.

Another suggested reason for the better integration of non-Japanese in manufacturing companies was that such firms are based outside London, unlike most of the trading houses. The Japanese in manufacturing had to mix with the local population, rather than just socialise within the close Japanese community in London.

It was generally agreed that "culture shock" was mainly felt at the top levels of the companies. As one managed with considerable experience working for the Japanese comented: "The lower echelons are seldom aware of these differences."

A study* of Japanese companies by the International Centre for Economics and Related Disciplines showed, not altogether surprisingly, that the companies rated their Japanese employees more highly than their British staff. On work performance, attitude, adequacy of qualification and time-keeping ICERD found the Japanese were being marked highest.

The greatest dissatisfaction with local staff was found in the banks, particularly with the time-keeping of female employees. Curiously, although the banks said their Japanese male staff were rated very highly for work performance, they too were marked down for time-keeping, qualifications and attitude.

The report notes that British female staff are evaluated most poorly by the companies, followed by British male employees. The highest evaluation was for Japanese male staff, followed by Japanese female. It also found that the Japanese companies were more dissatisfied with white-collar staff than with manual workers.

Japanese investment in the UK is still comparatively low. But the Japanese Ambassador to Britain, Naraichi Fujiyama, told the seminar that the number of companies coming to Britain was bound to increase.

Managers toying with the idea of working for the Japanese might note a comment made by Mr. Kagami when he was trying to explain why the British came up against promotion problems: "The typical Japanese manager who is here in the UK is in middle management, where the competition is very, very fierce. Any outsider is a potential threat."

* *The Development of Personnel Management in Japanese Enterprises in Great Britain (interim report). International Centre for Economics and Related Disciplines, London School of Economics, Houghton Street, London, W.C.2. 01-242 3388.*

Business courses

Computerisation for the Small Business, London. July 1-2. Fee: £165 (plus VAT). Details from Eurotech Management Development Service, 13 Holder Road, Aldershot, Hampshire, GU12 4RH.

New Dimensions of International Competition, Strategy and Structure of European Enterprises, Fontainebleau, France. June 23-25. Details from INSEAD, Boulevard de Constance, 77305 Fontainebleau, France.

What's New in Quality Management, London. June 3. Fee: £85 (plus VAT) members, £100 (plus VAT) non-members. Details from Head of Conference Registration, British Institute of Management Foundation, Management House, Parker Street, London WC2B 5PT.

Quality Circles, Gerrards Cross. June 10. Fee: £90 (plus VAT). Details from Executant Management Consultants, 29 Octagon Parade, High Wycombe, Bucks.

Quality Circles, London. June 2-3. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2 2HD.

Business Telecommunications—a technology review for senior management, London. June 18-19. Fee: £275 (plus VAT). Details from Online Conferences, Argyle House, Northwood Hills, Middlesex HA6 1TS.

Personal Development for Organisational Change, Uxbridge, Middlesex. June 23-25. Fee: £195. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.

Alternatives to the Patent System—developments in the protection of industrial design and knowhow, London. June 27. Fee: £94. Details from European Study Conferences, Kirby House, 31 High Street East, Uppingham, Rutland, LE15 9PY.

Marketing Management, Switzerland. June 23-July 4. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium

Comprehensive Cost Reduction, Bradford. June 29-July 4. Fee: £260. Details from The Course Secretary, Finance and Accounting Programmes, The Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire BD9 4JU.

Strategic Marketing, Cranfield, Bedford. June 23-July 4. Details from Cranfield School of Management, Cranfield, Bedford,

Unfair Dismissal, London. July 11. Details from The Registrar, Charterhouse Management Courses, 240 Charterhouse Square, London EC1M 6EA.

Sales Management, St. Helens, Merseyside. July 7-11. Fee: £72. Details from Administrative Officer, The School of Management Studies, The St. Helens College of Technology, St. Helens, Merseyside, WA10 1PZ.

Building a Successful Small Business, London. July 3-4. Fee: £180 (plus VAT). Details from Eurotech Management Development Service, PO Box 28, Camberley, Surrey.

The Senior Secretary in Management Today, London. June 24-26. Details from The Industrial Society, Peter Runge House, 3 Carlton House Terrace, London SW1Y 5DG.

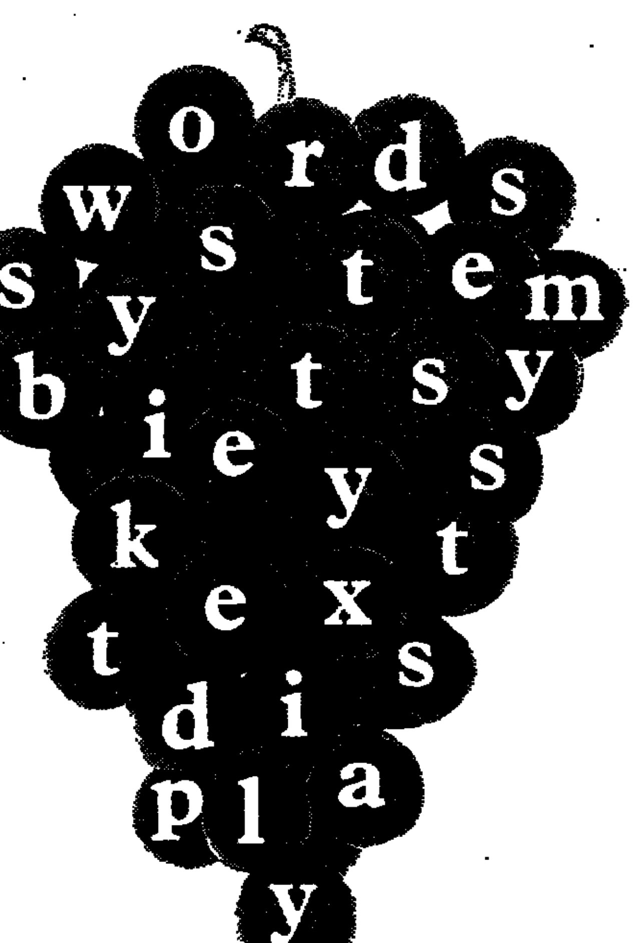
Business Books

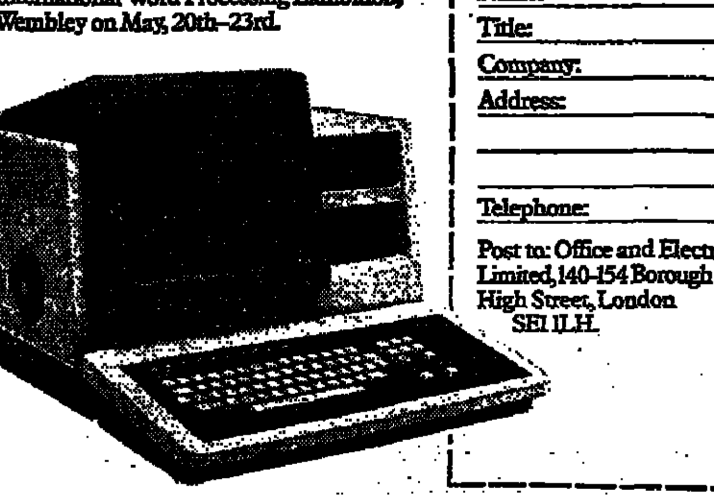
Women in International Business. N. L. Thal and P. R. Cateora in Business Horizons (U.S.). Dec. 79: p. 21 (7 pages).

Examines the extent of opportunities for women managers in international divisions of major corporations, the cultural obstacles and biases that limit their acceptability abroad—and what organisations should do about it.

An Introduction to Quality Control Circles. D. Hutchins in Industrial and Commercial Training (UK), Jan. 80: p. 8 (7½ pages, charts, diags., bibliog.).

A description of the Japanese-developed concept of quality control circles and their use in other countries; examines how they work and points to factors in their alleged success; answers questions about their applicability and acceptability.





THE PROPERTY MARKET BY MICHAEL CASSELL

St. Paul's partnership reassembles interests

PATERNOSTER Developments, formed in the early 1960s by the Church Commissioners and three major property companies to redevelop the bomb-ravaged precincts of St. Paul's Cathedral, has with a minimum of fuss been liquidated.

The move follows the sale over the last 12 months of two of the resulting scheme's major properties and the company has now been replaced with a partnership agreement effectively maintaining—for the time being at least—jont ownership of the remaining investments.

Paternoster started work on the £8m redevelopment scheme in 1962. The Church Commissioners took a 40 per cent shareholding in the venture and granted a 150-year lease on the land, running from 1960.

The other partners in the development were Trollope and Colls (now part of Trafalgar House), John Laign Construction (Laing Properties since the split of the contracting and property operations) and George Wimpey, each of which held a 20 per cent stake.

The seven-acre scheme provided over 600,000 sq ft of new space, mostly on 35-year leases, in an area almost totally burned to the ground following incendiary raids in December 1940. Built in phases spanning several years, it includes one 18-storey office block, three 10-storey office blocks between Warwick Lane and St. Paul's underground station and two further blocks adjacent to the cathedral. A raised shopping precinct and car park was also included.

Ever since completion, the development has provided a substantial source of income for the parties involved while its capital value has multiplied many times over during the last 20 years.

In March last year, Prudential Assurance paid £15.75m for the long leasehold on Juxon House, the 108,000 sq ft building which forms part of the Paternoster complex and where Barclays Bank Trust is the main tenant. In a separate deal, nearby Sheldon House was bought back by the Church Commissioners.

As a result, the partnership found itself left with the so-called north site, comprising a group of office buildings close to Newgate Street. The Central Electricity Generating Board is the biggest single occupier.

Apart from slimming down the partnership's property holdings, leading to a liquidation enabling it to realise the sale proceeds (Laing Properties' latest annual accounts include under the surplus on disposals a £4.29m figure arising out of shares in an associated company) there has also apparently been some rearranging of the method of income distribution.

All the original partners have retained their proportionate holdings under the fresh agreement but the Church Commissioners have now opted for a device which enables them to receive their income by way of rent rather than as a mixture of rent and the dividend payable by the former private company—a move presumably designed to keep tax liabilities to a minimum and one which might also enhance capital values.

The four partners say they have not gone out of their way to spell out the recent changes in their agreement as, in essence, little has changed. But the reorganisation must raise questions about the future of the partnership and the likelihood of further sales, either to existing partners or to outside purchasers like the Pru.

It would certainly not be surprising to hear that discussions about the partners' respective future interests in the properties remaining were taking place.

Consortium in U.S. deal

A CONSORTIUM of British pension funds and Grosvenor International — the overseas trading arm of Grosvenor Estates—has purchased a 50 per cent stake in a 382,000 sq ft office block in San Francisco. The consortium, West Coast Freehold, which includes the British Rail, British Airways, Boots and British Broadcasting Corporation pension funds, declined to reveal the purchase price but the building at the corner of Market, Post and Montgomery streets is thought to have a market value of around $40m.

The consortium acquired its half share in the building from Aetna Life, the U.S. insurance group which had jointly owned the building with Foremost-McKesson, the conglomerate which is among the top 100 U.S. companies, and which will continue to use the building as its world headquarters. Jones Lang Wootton acted for the consortium.

● Sun Alliance and London Assurance has financed, on a sale and leaseback basis, a new £1.8m F. R. Northcott development at Darnley, Glasgow. The scheme covers 64,000 square feet, together with a 25,000 square foot garden centre, and embraces a 21,000 square foot Dodge City retailing operation. F. R. Northcott has taken an overriding 35-year lease on the entire site with five-year reviews at an initial annual rental of £105,000. The capital consideration was in excess of £1.5m, the balance being reflected by additional fitting out expenditure. The return to the fund is in excess of 8½ per cent. Conrad Ritblat arranged the financing and Northcott were represented by Weatherall Hollis and Gale.

● Trust Securities (Holdings) is asking a basic rent of only 90p a square foot in a bid to attract a single tenant for its 230,000 square foot building on the Broadoak Trading Estate, Trafford Park, Manchester. Joint letting agents are Elliott Son and Boyton and Weatherall Green and Smith.

● More than 27,000 square foot of office space at rentals of around £10 a square foot, has been let in two separate deals at 15 Lower Regent Street, London SW1. Around 16,000 square feet has been let to Foster Wheeler Petroleum Developments with D and J. Levy and Michael Laurie acting for landlords Town and City. In a separate deal RTZ Services has taken just over 11,000 square feet on the second and third floors of the building.

● Banco de la Nacion Argentina has taken a lease on 11, Ironmonger Lane, City, the 1967 building which offers 16,685 sq ft of banking hal and office space and which has been modernised by Prudential Pensions. The rental is in excess of £30,000 a year and the letting was arranged by Jones Lang Wootton.

Unfinished scheme for sale

DEVELOPERS WITH a phobia about pre-development delays might consider with interest the latest offering from Mr. Michael Heseltine, Secretary for the Environment.

The Minister has already announced several initiatives aimed at speding up the planning and development process but this week he offers what must be the ultimate solution—the ready-laid foundations of a 140,000 sq ft office block in Stockport.

With the public expenditure cutbacks and the Government's decision not to pursue any further a civil servant dispersal programme, Mr. Heseltine is offering by tender the 5.4 acre Stockport site which was to have housed the Office of Population, Census and Statistics.

Closing date for tenders is likely to be late September and the highest bidder will receive the foundations and ground floor slab which have already been put down. It is understood that the Property Services Agency has spent about £1m on the development when a halt was called and that the decision saved is something in the region of another £5m.

The agents, Ball and Percival and Debenham Tewson and Chinnocks, reckon that developers will be able to use much of the expensive preliminary construction work.

The surrounding area has largely been developed to provide either hotel or leisure facilities and consultations with the planning authorities have indicated that the purchaser could use the unfinished site in a variety of ways, ranging from a hotel and conference centre to exhibition halls, residential use or office space.

It looks as though offers over £600,000 upwards will be considered from anyone who is convinced they can successfully finish off what someone else started.

New £14m estate for Harlow

THE UNCERTAIN economic outlook for British industry is not inhibiting French Kier Property Investments and Combined Petroleum Companies Pensions which are pressing ahead with plans for an industrial estate at Harlow new town.

Combined Petroleum is to provide the finance, of up to £14m, for the development which will eventually provide 430,000 sq ft of industrial and warehouse accommodation on the 23-acre site.

The first phase of construction including around 170,000 sq ft is expected to be completed early next year and will provide for individual units of between 2,500 sq ft and 8,500 sq ft, or a combination of units of up to 65,000 sq ft.

Agents Hillier Parker May & Rowde nand Conway Relf say that prospective tenants have shown considerable interest in the first phase, despite the economic outlook for industry.

Under the terms of the deal, Combined Petroleum will take a 150 year ground lease, with 10 year rent reviews, from Harlow new town development corporation which will retain the freehold. Harlow was one of the new towns chosen for last year's new town asset disposal programme.

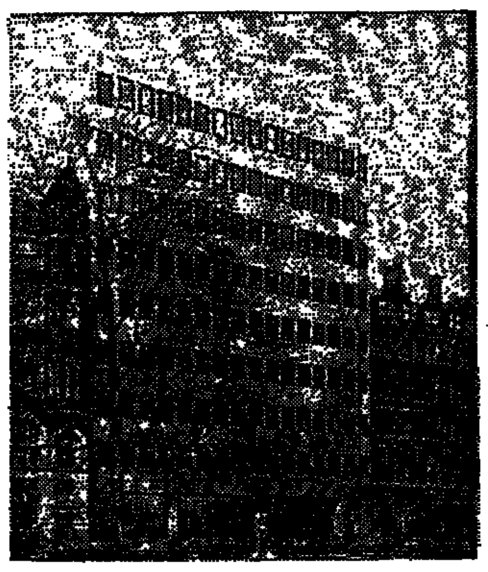
The site was originally leased to French Kier which used the area as a storage depot. French Kier will under the new arrangements, take a sub-lease on the site from its partner Combined Petroleum.

The timing of later phases of construction will depend upon reaction to the first phase of the development. The site has already been cleared and construction work begun.

Rental income from the scheme will be shared between the developers with the larger slice going to Combined Petroleum.

FLEETWAY HOUSE
25 Farringdon Street
EC4

Air-conditioned Office Development



96,000 sq.ft. **To Let**

Jones Lang Wootton
Chartered Surveyors
33 King Street London EC2V 8EE 01-606 4060

Bell-Ingram
Chartered Surveyors
47-48 Piccadilly London W1V 0DN 01-437 1274

OFFICE CITY LIVERPOOL

Way back in the '50s the fashion was to get out of town and build your office in the green fields.

Now in the '80s, they're coming back. Back to the throbbing heart of the City.

Join the trend, choose City Centre Liverpool for the heart of your communications.

Refurbished Royal Liver Buildings offers superb accommodation on five floors, each of 30,000 sq ft – leases can be varied in length to suit your needs.

For details of new and modernised offices in City Centre Liverpool call:

051-227 3296

Liverpool Development Agency
11 Dale Street Liverpool L2 2ET

COVENTRY

Off Fletchampstead Highway A45,
10 minutes from N.E.C.

Two superb modern warehouse units totalling 44,850 sq ft

Also 20,400 sq ft unit let to public company

For Sale in one lot
or to let (two vacant units)

Singleton
G F Singleton & Co
55 King Street
Manchester M2 4LR
061-832 8271
PAI

Grimley & son
CHARTERED SURVEYORS
2 St Philips Place Birmingham B3 2QQ
021-236 8236

and at 9 Richmond Terrace, Blackburn BB1 7BD. 0254 52424.

MAIDSTONE
Stoneborough House

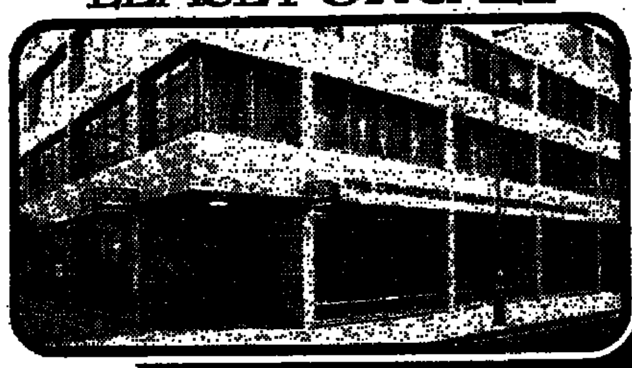
A prestige town centre Office Building
71,500 sq ft.
TO LET
Individual floors available

Healey & Baker
29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292

WALTER AND FORKNALL
30-32 King Street, Maidstone, Kent
Tel: 0622 57225
Also at West Malling

Mayfair W.1.

SUPERB BANKING PREMISES
6,675 sq.ft.
LEASE FOR SALE



- Fully Fitted Banking Hall
- Full Air Conditioning
- Prestigious Ancillary Offices

St Quintin
CHARTERED SURVEYORS
Vintry House Queen Street Place London EC4R 1ES
Tel 01-236 4040

JLW AUCTION SALE

12th June 1980 at 3.00 p.m.
at Quaglino's, Bury Street, St James's, SW1.

AN INTERESTING PORTFOLIO – 13 LOTS
of
SUBSTANTIAL HIGH YIELDING AND/OR REVERSIONARY FREEHOLD COMMERCIAL INVESTMENTS

secured upon
SHOPS, OFFICES, MODERN WAREHOUSE
and an ACCOUNTANCY SCHOOL
located in

CENTRAL LONDON (E.C.1, W.C.1), GREATER LONDON (N.16, S.W.16 and Barking) ESSEX (Leigh-on-Sea) EAST SUSSEX (Hastings) WEST SUSSEX (Chichester) DORSET (Bridport) MID GLAMORGAN (Porthcawl) GREATER MANCHESTER (Davyhulme) GLOUCESTERSHIRE (Tewkesbury) and MERSEYSIDE (Aintree, Liverpool).

together producing a TOTAL RENT ROLL of about
PER £318,500 ANN
RENT REVIEWS AND REVERSIONS FROM 1980 ONWARDS

Tenants include: BOOTS, TESCO, ALLIED SUPPLIERS (LIPTONS), DEWHURST, BROOK STREET BUREAU, WILLERBYS, SKETCHLEYS, THRESHERS, PSA, EMILE WOOLF SCHOOL OF ACCOUNTANCY, SOUTHERN WATER AUTHORITY, INDEPENDENT TELEVISION PUBLICATIONS, CADBURY SCHWEPPES LIMITED, LONSDALE & THOMPSON LIMITED and others.

Jones Lang Wootton
Chartered Surveyors
103 Mount Street London W1Y 6AS 01-493 6040

RENT FREE
NORTHAMPTON
FACTORY/WAREHOUSE

units from 11,200-48,000 sq. ft.

available early 1981 with substantial rent-free period, heating, lighting and good office content. Situation in a prestigious industrial estate.

For further details:

Connells Commercial
687 SILBURY BLVD.
CENTRAL MILTON KEYNES
Tel: 0908 606691

PRESTIGOUS OFFICE BUILDING IN PRIME MAYFAIR LOCATION
OFFICE SUITE TO LET
(LONG LEASE MAY BE AVAILABLE)

First Floor Approx. 955 sq. ft. Offices. Second/Third Floors Approx. 950 sq. ft. Office/Residential.

Write Box T5261, Financial Times, 10, Cannon Street, EC4P 4BY.

BRISTOL
Urgently Required
25/35,000 SQ. FT. FACTORY
Cuthbert Lake Drew Pearce
01-405 1953—Ref. JP

FOR SALE
COMPLETE STEEL FRAMEWORK FOR SINGLE-UNIT FACTORY BUILDING Approx. 47,000 sq. ft., ready to erect: nuts, bolts, etc. Seen on site.

Contact: Mr. J. E. Walters,
Newman Granger Engineering.
High Holborn Road
Codnor Gate Industrial Estate
Nr. Ripley, Derbys.
Tel. Ripley (0773) 43568

FREEHOLD LAND FOR SALE
With outline planning for 4-storey (5 if parking made underground) light industrial premises and flats. 10,000 sq. ft. approx. Desirably situated in Ladbroke Grove (Harrow Road) W10 and about 10 minutes from Edgware Road W2 and Marble Arch.
E. BENET—01-969 7040

PRIME POSITION
E.C.3.
5/11,000 sq. ft.
MODERN BUILDING

Richard Saunders & Partners
Property Agents Consultants & Surveyors
27/32 Old Jewry, London EC2R 8DQ. 01-606 7461.

WOLVERHAMPTON
Modern Single Storey
FACTORY
with Offices
8,770 sp ft
FOR SALE—FREEHOLD

EDWARD SYMMONS & PARTNERS
Tel: 01-834 8454
56/62 Wilton Road, London SW1V 1DH

LUXURY HEADQUARTERS BUILDING
Freehold for Sale
Every amenity

Write Box T.5266, Financial Times
10 Cannon Street, EC4P 4BY

SOUTH CORNWALL
RESIDENTIAL BUILDING LAND

Approximately 9 acres on the outskirts of St. Austell with Outline Planning Consent for 100 dwellings. Full details from Box T.5263, Financial Times, 10, Cannon Street, EC4P 4BY.

West London Offices

Sunbury - 10,050 sq.ft.
Feltham - 3,570 sq.ft.
8,060 sq.ft.
11,630 sq.ft.
Ashford - 6,000 sq.ft.
Fully fitted/Car parking

Gooch & Wagstaff
Chartered Surveyors
01-629 6452
27 Bolton Street
London W1Y 7PD
Telex 8811824

TO LET
ELY PLACE
EC1
Superb New Self-Contained Office Building
3,258 sq ft

DE GROOT COLLIS
30/38 HIGH HOLBORN LONDON WC1
01-831 7651

WEST MIDLANDS

BILSTON	COVENTRY
75,000 sq. ft.	30,000-200,000 sq. ft.
Single-Storey Factory Unit with Cranage and Yard Area	Single-Storey Unit Convenient M6 Motorway
FOR SALE	TO LET
£950,000	From 99p per sq. ft.

WOLVERHAMPTON

38,000 sq. ft.	1,218 sq. ft.
NEW INDUSTRIAL/ WAREHOUSE UNIT	A RANGE OF 30 NEW NURSERY FACTORY UNITS
20ft. to eves.	for investment/occupation.
FOR SALE	FOR SALE
£750,000	from £33,500

RICHARDSONS DEVELOPMENTS
021-544-7111
100, DUDLEY RD. EAST, OLDBURY, WARLEY, WEST MIDLANDS

MAJOR OIL COMPANY
requires
HEADQUARTERS OFFICES
of
35/70,,000 sq. ft.
in CENTRAL LONDON
(preferably City)
Write Box T.5264, Financial Times
10 Cannon Street, EC4P 4BY

BELGRAVE SQUARE, S.W.1

A very fine period building (with mews at rear) situated in a prominent position in this world famous location. The building is offered with Full Vacant Possession and is eminently suitable for Headquarters/Diplomatic/Residential use.

A substantial sum is required for the benefit of the Head leasehold interest which has 63 years unexpired. The present Rent is £1,850 per annum.

For further details and brochure
Please contact Ref. MCR

01-351 2383

440 KINGS ROAD, LONDON SW10 0LH
TELEX 916048 AYLSFD G

AYLESFORD

INTERNATIONAL PROPERTY SURVEY
FRIDAY, 6th JUNE, 1980

The Financial Times is planning to publish a survey on International Property. The main headings of the provisional editorial synopsis are set out below.

INTRODUCTION
Overseas investment opportunities have come in for closer scrutiny during the last twelve months though heightened interest has not yet been converted into a significant upturn in foreign purchasing or funding activity. The fresh wave of interest in property markets around the world—likely to prove a major talking point at the annual congress of the International Real Estate Federation to be held in Greece in June—has been largely prompted by the growing shortage of prime property investment opportunities in the UK and by the removal of exchange controls.

THE MARKETS
The remainder of the Survey will carry reviews of the property market in the following places:
HOLLAND
WEST GERMANY
FRANCE
SPAIN
BELGIUM
IRELAND
ITALY
THE UNITED STATES
CANADA
THE FAR EAST
AUSTRALIA

For further details on editorial content and advertising please contact:

Cliff Caunter or Simon Boyd
Financial Times, Bracken House,
10, Cannon Street, London EC4P 4BY.
Tel: 01-248 8000 Telex: 885033

هكذا من الأصل

BOND DRAWINGS

NOTICE OF REDEMPTION TO THE HOLDERS OF:
LJUBLJANSKA BANKA 9¼% GUARANTEED NOTES 1983

NOTICE IS HEREBY GIVEN that the following notes were drawn for redemption on the 15th July 1980.

Notes of U.A.E. Dirhams 50,000 each

7	12	19	24	28	30	46	56	57	68	73
88	99	102	112	121	125	130	137	142	146	165
172	184	187	191	207	211	221	225	233	236	244
247	253	256	264	267	268	269	270	292	297	306
330	332	341	350	363	365	368	372	389	390	393
400	407	412	474	417	423	426	428	429	432	433
441	456	466	471	482	490	499	503	509	510	511
514	522	528	571	576	586	588	600	656	657	679
680	693	705	707	718	722	725	734	747	748	749
764	774	778	786	791	802	826	838	840	841	850
855	857	859	864	874	898	906	909	912	915	928
933	935	936	947	957	963	973	975	977	980	982
989	998	1009	1015	1016	1030	1056	1069	1075	1078	1084
1114	1125	1129	1132	1151	1155	1166	1176	1180	1182	1190
1192	1215	1217	1233	1234	1240	1243	1248	1253	1256	1265
1266	1273	1286	1312	1313	1324	1326	1369	1370	1378	1381
1385	1399	1401	1407	1423	1424	1425	1465	1467	1477	1481
1519	1523	1529	1534	1540	1541	1542	1551	1556	1558	1569
1587	1597									

On the 15th July 1980, the notes designated above will become due. Said notes will be paid upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder at

(a) Fiscal Agent, British Bank of the Middle East, PO Box 242, Sea Road, Abu Dhabi, United Arab Emirates;

or

(b) The British Bank of the Middle East, 99 Bishopsgate, London EC2P 2LA.

Coupons due 15th July 1980, should be detached from the notes and collected in the usual manner.

On and after the 15th July 1980 interest shall cease to accrue on the notes herein designated for payment.

LJUBLJANSKA BANK
BY BRITISH BANK OF THE MIDDLE EAST
ABU DHABI

PUBLIC NOTICES

NORTHAMPTON BOROUGH COUNCIL

Leisure Opportunity for a Commercial Interest
Midsummer Meadow Unheated Open-Air Pool

Any commercial company interested in operating and developing Midsummer Meadow Pool as a public leisure facility should contact:

G. G. Bott
Chief Leisure and Recreation Officer
Leisure and Recreation Department
Cliftonville House
Bedford Road
Northampton

to discuss in detail the facilities and proposals.

The facility comprises a large open-air pool in a secure enclosure, one mile from the Town Centre. The area of the pool, grass and paving in the enclosure is 1.93 acres. The pool is 110 yds. x 27 yds. with a depth varying from 2 ft. 6 in. to 9 ft., with a separate paddling pool.

There is a modern filtration and chlorification system with adequate control, basket storage, changing cubicles, toilet facilities and a small catering area.

CITY OF BIRMINGHAM
GAS AND WATER ANNUITIES

NOTICE IS HEREBY GIVEN that in order to prepare annuity repayments due on the 1st July, 1980, the ANNUITIES REGISTER will be CLOSED from 1st June to 15th June, 1980, both dates inclusive.

W. S. PAGE.
Principal Chief Officer & City Treasurer.

The Council House,
Birmingham B3 3AB.

CITY OF BIRMINGHAM
MORTGAGE LOANS

NOTICE IS HEREBY GIVEN that the REGISTER of Mortgages will be CLOSED to Transfers from 1st June to 30th June, 1980, both dates inclusive.

W. S. PAGE.
Principal Chief Officer & City Treasurer.

The Council House,
Birmingham B3 3AB.

SLOUGH BOROUGH COUNCIL

£700.000 Bills issued 14.5.80 due 13.8.80 at 16³⁄₃₂%.
Total Applications £6.300.000.
Outstanding Bills £700.000.

TAMESIDE METROPOLITAN BOROUGH COUNCIL

£3,600,000 Bills offered 9.5.80 for payment 14.5.80 due 13.8.80 at 16⁵⁄₃₂%. Application totalled £40.2m. No other Bills outstanding.

TAYSIDE CORPORATION BILLS

£3.000.000 Bills issued 15th May 1980 at 16⁵⁄₁₂% to mature 14th August 1980. Applications £2.000,000. Outstanding £6,000.000.

ROTHERHAM CORPORATION BILLS

£2.000.000 Bills issued 14th May, 1980 at 16¼% to mature 13th August 1980. Applications £20.500.000. Outstanding £3,000,000.

COMPANY NOTICES

GRESHAM INDUSTRIES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS
DECLARATION OF PREFERENCE DIVIDEND No. 57

NOTICE IS HEREBY GIVEN that a dividend at the rate of 6% per annum on the 6% Cumulative Preference Shares in respect of the six months ending 30th June, 1980 (equivalent to six cents per share), has been declared by the Board of Directors payable on the 30th June, 1980, to Preference Shareholders registered in the books of the Company at the close of business on Friday, 30th May, 1980.

The dividend is declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between *Rand and Sterling on the 13th June*, 1980.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of *United Kingdom Income Tax at rates* to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the above dividend, the Preference Share Register will be CLOSED from the 31st May to the 13th June, 1980, both days inclusive.

Dividend cheques in payment will be posted on or about the 30th June 1980.

By Order of the Board.
B. C. CRAGG.
Secretary.

Registered and Transfer Office:
220, Commissioner Street,
Johannesburg
London Transfer Office:
Granby Registration Services,
Bourne House, 34 Beckenham Road,
Beckenham, Kent BR3 4TU.

SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION, LIMITED
(ISCOR)
WAGONWHEEL CIRCLE
PRETORIA (SOUTH AFRICA)

US$50.000.000 1975/1978/1990
FLOATING RATE NOTES

We inform bondholders of the above loan that at the borrower's request all outstanding Notes will be redeemed at par as from June 12, 1980, ex coupon No. 10. In accordance with Article 3 of the fiscal agency agreement, the above redemption concerns the following Notes:

— 40 Notes of US$500,000 nominal.
—158 Notes of US$100,000 nominal.
—325 Notes of US$ 10,000 nominal.

Redemption will be effected at no cost by the following paying agents:

—Credit Commercial de France,
103, Avenue des Champs-Elysees,
75008 Paris (France);
—Kredietbank N.V.,
Arenbergstraat 7,
1000 Brussels (Belgium);
—Manufacturers Hanover Limited,
8 Princes Street,
London EC2R 8AQ (UK);
—Manufacturers Hanover Trust Company,
350 Park Avenue,
New York, NY 10022 (USA);
—Westdeutsche Landesbank Girozentrale,
Friedrichstrasse 56,
4000 Dusseldorf, West Germany.

Fiscal Agent
CREDIT COMMERCIAL DE FRANCE

SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS

US$30,000,000 6¾% 1967-85
NOTICE TO BONDHOLDERS

The US$2.000.000 redemption instalment due June 15, 1980 as been partly met by purchases in the market up to the nominal amount of US$700,000 and completed by a drawing of bonds to the nominal value of US$1.300.000 on April 30, 1980 in the presence of a Notary Public.

Distinctive numbers of the bonds drawn:
17015/28046 INCLUSIVE taking account of previous repurchases.

Outstanding amount after the redemption on June 15, 1980: US$10.000.000. Bonds drawn will cease to bear interest on June 15, 1980. Bonds presented for repayment must have their coupons as at June 15, 1981 and subsequent attached and will be paid in accordance with the conditions shown on the bonds.

Previous redemption instalments:
Repayment on June 15, 1979:
20300/22880 inclusive,
taking account of previous repurchases.
Repayment on June 15, 1978:
2913/4590 inclusive,
taking account of previous repurchases.

The Fiscal Agent
BANQUE DE PARIS ET DES PAYS-BAS POUR LE GRAND-DUCHE DE LUXEMBOURG

NOTICE OF PURCHASE
EUROPEAN INVESTMENT BANK
9¼% U.S. Dollar Bonds of 1979
Due May 15, 1989

Pursuant to the terms and conditions of the loan, notice is hereby given to bondholders that during the eleven-month period ending May 14, 1980, U.S.$5.000,000 of the European Investment Bank's 9¼% U.S. Dollar Bonds of 1979, due May 15, 1989, were purchased by the Purchase Agent for account of such Bank in satisfaction of the Purchase Fund.

As of May 15, 1980, the principal amount of such Bonds remaining in circulation was U.S.$70.000 000.

EUROPEAN INVESTMENT BANK
May 16, 1980.

KOMATSU FORKLIFT CO., LTD.
(CDRs)

Referring to the advertisement of January 8th, 1980 the undersigned announces that as from 23rd May, 1980 bonusdiv. cp. no. 7 Komatsu Forklift Co., Ltd. will be payable in cash with US$253.51 per CDR repr. 1.000 Shs. of Yen 50 at Kas-Associatie N.V., Spuistraat 172, Amsterdam.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
Mayth 7, 1980.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976

HEWRY DANIELS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the office of Lawrence Woolfson and Co., Oxford House, 9/15 Oxford Street, London, W1 on Tuesday, the 27th day of May 1980, at 11.45 o'clock in the *fore noon, for the purposes mentioned* in sections 294 and 295 of the said Act.

Dated this 9th day of May 1980.

By Order of the Board
Michael David Morris
Director

TRAVEL

GENEVA, Basle, Zurich and Berne. Widest choice of cheap flights from 4 U.K. airports. Brochure FALCON 01-351 2191.

INVESTMENTS FOR SALE

SHOPS AND OFFICES

PROPERTY WANTED

INTERNATIONAL PROPERTY

EDUCATIONAL

Looking for an Italian miracle

BY JONATHAN CARR

THE EUROPEAN Community circus is said to be producing a new turn to make the public in the nine member states catch its breath. According to several accounts, the Council of Foreign Ministers performing in Italy at the end of this week will put on a masterly conjuring display. To a burst of applause from EEC capitals, it will produce out of a hat the long-sought solution to Britain's budgetary dispute with the rest of the EEC. The effect will be so dazzling that the recent Luxembourg flop will be promptly forgotten. It will simply be left to Britain's Mrs. Margaret Thatcher, West Germany's Helmut Schmidt, France's Valery Giscard d'Estaing and their colleagues gratefully to acknowledge the miracle when they meet on an island off the sinking city of Venice next month.

Bluffing

What speaks in favour of this view is that at the end of the Luxembourg gathering the differences between Britain and its partners were alleged not to be large—although several of the participants were very hot and bothered. Herr Schmidt was offering Britain quite a lot of money over a short period. Some others were offering less money over a longer one. All that is needed now, surely, is to close a pretty small gap—and that cannot be beyond the wit of reasonable men.

The British feel that the Germans are bluffing when they say that their offer is no longer on the table. The Italians, currently chairing the EEC Council and therefore actively seeking a compromise which will grace their period of responsibility, apparently feel the same.

No doubt there is an element of bluff about it. But if the foreign minister, Herr Genscher, tries to underwrite in Italy the kind of costly solution Herr Schmidt proposed—but then withdrew—in Luxembourg, he will be on a serious collision course with Herr Matthoefer, the Finance Minister, in Bonn.

So what? It is the job of a foreign minister, is it not, to see an issue like the budget in a broad policy perspective—and it is the role of a finance minister to fight doggedly, then pay up.

That is all reasonable and true as far as it goes. But it leaves out of account a few personal elements, not often mentioned but which nonetheless should be put in the scales too. For one thing it is clear that a rivalry has developed in the foreign council between Herr Genscher and Lord Carrington, Britain's superstar, who among other things pushed through the Rhodesia accord when Germans and others felt it impossible. Gone are the days when Herr Genscher with his political weight and years of experience could easily dominate a council with such relative lightweights as Britain's David Owen or France's Jean Sauvagnar Gues. Not that Herr Genscher and Lord Carrington do not see eye to eye on many world issues. But on the budget they are opponents — and there is particular pressure on Herr Genscher, in this context, not to be seen to come off second best.

Further, suppose Herr Genscher and Lord Carrington do agree (with the other seven) on a budget compromise. What is the guarantee that Mrs. Thatcher will not pull the rug from under the accord—and make Herr Genscher look silly for having gone so far. There is a recent precedent in another context. Herr Genscher felt that he had the agreement of Lord Carrington that existing contracts should be included in the economic sanctions the EEC is planning against Iran. He strongly defended this view in the Bonn Cabinet — only to find that Mrs. Thatcher in Luxembourg took quite another line. Herr Genscher is said to be very cross indeed — and understandably chary of walking into a similar trap.

It might well be good for the EEC if the foreign ministers came up with a compromise which their chiefs had not thought of. It could mean that in future the European Council (summit) meetings could be properly devoted to broader policy issues, not horse trading. So let us hope for a miracle initially. After all, such events are said to be relatively numerous there.

'Workshop' back in business

BY ANTHONY MORETON

AROUND BRITAIN
GLASGOW

EVEN A quick drive around Glasgow's rundown East End today cannot fail to impress the outsider with what is being done to bring new life to this part of the city.

At one time, 60 or more years ago, the suburbs of Calton, Bridgeton, Shettleston, Parkhead and Dalmarnock were known as the workshop of Glasgow. By the late 1940s the whole area had slid downhill to become the most socially deprived part of Britain. Some of its critics even called it the worst in Europe though, to be fair, it has never witnessed the sort of poverty to be found in, say, Naples.

This deprivation was unfortunately compounded by the corporation's short-sighted attempts to alleviate the situation. For years the council's main aim was to move people out to the tower blocks on the edge of the city. No private housing was allowed, and such industry as was not closing of its own accord was squeezed out. And since the council did little to clear the empty buildings, vandalism soon turned the area into a massive derelict site.

As the people were moved out so the age profile of those remaining went up. In 1951 the population of this part of the city was as high as 145,000—in 1978 it was 45,000. Unemployment was high, as much as 27 per cent in some parts, and waves of homeless and winos made it their base.

It was against this background that GEAR — the Glasgow Eastern Area Renewal project—was set up in 1976 by Mr. Bruce Millan, then Scottish Secretary. GEAR, within its short life, has become one of the most imaginative inner-city rejuvenation schemes in Britain. It has brought a dynamism to the area which is helping to lift the morale of a people who had long since accepted that their place in life was at the bottom.

GEAR's involvement is visible everywhere, literally on every street corner. The project, which comes under the Scottish Development Agency's director of urban renewal, Mr. Richard Colwell, has tidied small sites, planted trees and bushes, created play areas, levelled other sites, cleaned houses, put up small factories, attracted in businesses and saved others from pulling out. It has also attracted in the private builder: the first houses for sall to go up in generations are being built at Tollcross Park.

The strategy behind GEAR was to draw together the various authorities concerned with the area, health, housing, councils, employment, under the aegis of the agency and produce a coherent plan for renewal. This concentrated on derelict land clearance, reversing the population migration and attracting new industry.

The East End is not totally bereft of industry. Among the larger employers there are still Hoover at Cambuslang, Beardsmore, British Steel, United Biscuits and United Glass. But the smaller firms are largely gone and there were few of the feeder firms which do subcontracting.

One of the problems GEAR faced was that no one appeared to know who the existing employers were. So the first priority was to identify them and then encourage them to remain and expand.

The workshop programme instituted to stop the decline has been successful. More than 3,000 jobs are being created or supported and over 100 factories are being built or modernised.

Hundreds of acres of derelict land are being transformed and hundreds of new houses and the attendant services are being put up. By the end of this year it is estimated that 200 factories will have been completed, two of which will be of 10,000 sq ft.

That touchstone of success, the attraction of private money to a depressed area, is also apparent. An £8m chemical plant at Cambuslang is going up and other private firms are show definite interest in the area.

The Tollcross Park private housing shows the way in which private building is playing its part. It is not easy for a builder to put up houses speculatively in an area which has been shunned by so many for so long. But the builder's task is made easier by the fact that GEAR looks at the total environment and is not just seekin gto put back industry. For example, it has pursued an active policy of smartening up many of the tenament blocks. Internally, the flats have been modernised and externally the stonework has been washed down and the woodwork given a coat of paint. These may seem obvious things to do but they have not been obvious in Glasgow's East End for several decades.

To offer facilities other than good housing the GEAR team has installed the first Astroturf sports ground in Scotland at a cost of between £250,000 and £300,000. It bought an old sports ground site from the transport department and has turned it into a modern stadium.

Nursery factory units—35 in all—are provided at Annick Street: all places have gone and there is a waiting list. Now a 250-acre site at an ex-steelworks is being cleared to allow for further development.

Nor is white-collar employment being neglected. The agency bought a 250,000 square foot factory belonging to Templeton Carpets and it is proposed to turn it into a business centre. The Templeton works is of historical and architectural interest and is a protected building. In Glasgow it is sometimes known as the Doges' Palace.

The intention is that the factory will provide room for small workshops, offices and possibly the agency's small business division which at present operates from the headquarters in Bothwell Street. It is hoped that other central management services will be provided from this base, such as typing pools, and private sector partnerships.

Such progress pleases Mr Colwell immensely, but he knows there is still a long way to go before the evidence of decades of neglect is wiped out.

What is important is that people in the area know that GEAR is doing these things. GEAR makes sure of this by blownig its own trumpet. Its signs are everywhere and the response among ordinary people is sufficient to ensure that the £150m project will make a very big difference to at least one corner of Glasgow.

GEAR—making its presence felt.

Good Lassie is worth a chance

RACING
BY DOMINIC WIGAN

SEVEN WERE lost at the final declaration stage for today's £10,000 added Sir Charles Clore Memorial stakes at Newbury, leaving a disappointing turnout of nine fillies, none of which seems likely to set the Oaks market on fire.

Although Willie Carson's mount The Dancer showed promise as a two-year-old, it transpired that she could already have lost most of the sight in her left eye when she proved a disappointment in the Criterium des Pouliches on "Arc" day.

In view of reports that she has become quite highly strung on losing vision from that eye, and is also without the benefit of a run (although she won a "mock race" staged for a television documentary), it is probably safer to pass her over.

The best win-and-place bet in the race is God Lassie. This strong daughter of Violetta III, who is already responsible for Oaks runner-up Furioso, and the Irish One Thousand Guineas-winer Favoletta produced a smart turn of foot to get up and beat Rock Goddess and 17 others in a six-furlong maiden event at Newmarket in October after being off the course for three months.

In spite of a recent poor showing in the Playboy Pretty Polly Stakes, Good Lassie is worth a chance to atone.

Brian Taylor, Good Lassie's rider has a number of other likely looking mounts and could well start the afternoon the right way through the once-raced Precious Moments in the Penlee Maiden Stakes. This Ryan Price— trained colt put up an encouraging display on his début

While most leading jockeys are in action at Newbury, Lester Piggott and Joe Mercer can be found at Newmarket. Both look set to improve on their current scores but Philip Waldron has in Triumphant the best prospect.

NEWBURY
2.00—Precious Moments
2.30—Bird's Custard
3.00—Good Lassie**
3.30—Pitiless Panther
4.00—Balinger
4.30—Wolf Cub

NEWMARKET
2.15—Rehoboam
2.45—Norfolk Flight*
3.15—Lenygon
3.45—Star Venture
4.15—Triumphant***
4.45—Manilow

TV Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Camberwick Green. 2.02 For Schools, Colleges. 3.20 Dechrau Canu, Dechrau Canmol (Welsh hymn-siging). 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Baggy Pants and the Nitwits. 4.40 The Red Hand Gang. 5.00 In the Limelight with Lesley.

5.35 Captain Pugwash.
5.40 News (London and South East only).
5.55 Nationwide.
6.20 Nationwide.
7.00 It's A Knockout.
7.50 Citizen Smith.
8.20 The Sun Trap.
8.50 Points of View.
9.00 News.
9.25 Strasky and Hutch.
10.15 Rosie (London and South East only).
10.45 Regional, National News.
10.50 Match of the Day: Northern Ireland v Scotland.
11.35 The Late Film: "The Syndicate."

All Regions as BBC-1 except as follows:

Cymru / Wales — 1.45-2.00 pm Bys a Bawd. 4.40 Crystal Tipps and Alistair. 4.45-5.10 Babol Bach. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.20 Plant y Paith. 7.50-8.20 Haf o Hyd. 10.15 Radio Wales Brass Band of the Year. 10.45-10.50 Regional National News.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 7.00-9.00 Sportscene: Northern Ireland v Scotland. 10.15 It's A Kuockout. 11.05-11.35 The Suntrap.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 The Jazz Club. 10.45-10.50 Regional, National News. 1.10 am News, Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle): Look Northwest (Manchester); Midlands Today (Birmingham); Points West (Britosl); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Weekend; Midlands (Birmingham) Straight Talk: North (Leeds) Beneath the Pennines; North East (Newcastle) Mike on Friday; North West (Manchester) Voices from the Past?; South (Southampton) Lion of the North Sea: South West (Plymouth) Twn Men And A Boat; West (Bristol) Movie Magic.

BBC 2

6.40-7.55 am OpenUniversity.
11.00 PlaySchool.
2.15 pm Racing from Newbury.
4.50 Open University.
6.55 The Colliers' Crusade.
7.25 Mid-Evening News.
7.35 Gardeners' World.
8.00 Robbie.
8.30 Vikings!
9.00 Sing Country.
9.40 Playhouse.
10.40 Cartoon.
10.45 Newsnight.
†11.30 The Outer Limits.

LONDON

9.30 am Schools Programmes. 11.55 Beany and Cecil Cartoon. 12.00 Songbook. 12.10 pm Upon a Time. 12.30 Moneywise. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 After Noon Plus. †2.45 Friday Matinee: "All For Mary." 4.15 The Boy Merlin. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.30 Looks Familiar.
7.00 Winner Takes All.
7.30 The Cannon and Ball Show.
8.00 Hawaii Five-O.
9.00 The Gentle Touch.
10.00 News.
10.30 Soap.
11.00 The London Programme.
11.45 Luke's Programme.
12.45 am Close: Personal choice with Roy Hudd.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News 2.45 Houseparty. 3.15 Fantasy Island. 5.15 A Sharp Intake of Breath. 6.00 About Anglia. 8.00 The Incredible Hulk. 10.30 7 Days. 11.00 Friday Late Film: "Deadlock." 12.45 am Christians In Action.

ATV

1.20 pm ATV Newsdesk. 2.45 "Jolson Sings Again." 5.15 Happy Days. 6.00 ATV Today. 10.30 WKRP in Cincinnati. 11.00 ATV Newsdesk. 11.05 The James Stewart Star Movie: "Call Northside 777."

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Chopper Squad. 5.15 Fangface. 6.00 Lookaround Friday. 6.30 You're Only Young Twice. 8.00 The Incredible Hulk. 10.30 Springsport. 11.00 Friday Night Movie: "Blind Terror," starring Mia Farrow. 12.35 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 2.45 The Friday Matinee: "Twin Detectives." 6.00 Report At Six. 6.35 Ladies' First. 8.00 Vegas. 10.28 Channel Late News. 10.36 Brown Study. 10.55 TV Movie Premiere: "Death Stalk." 12.10 am News and Weather In French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. †2.45 Friday Matinee: "Don't Take It To Heart." 6.00 North Tonight and Area Weather Forecast. 6.30 A Sharp Intake of Breath. 8.00 B.J. and the Bear. [illegible]

HTV

1.20 pm Report West Headlines. 2.45 The Friday Matinee: "Kangaroo." 5.15 A Sharp Intake of Breath. 6.00 Report West. 6.30 Emmerdale Farm. 8.00 A Man Called Sloane. 10.35 Report Extra. 11.05 The Friday Film: "River of Mystery."

HTV Cymru/Wales—As HTV West/HTV General Service except: 10.48-11.08 am Cymru A'r Mor. 11.55-12.10 pm Mistar Clai. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.15-4.45 Antur A Champ. 5.15-5.45 Noah's Castle. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35 Agenda. 11.40-12.35 am Vegas.

SCOTTISH

1.20 pm News and Road and Weather. 2.45 Friday Matinee: "Barnacle Bill." 5.15 Mork and Mindy. 6.00 Scotland Today. 6.30 Emmerdale Farm. 8.00 Streets of San Francisco. 10.30 Ways and Means. 11.00 Late Call. 11.05 Late Night Movie: "Cold Sweat."

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 Fantasy Island. 5.15 Happy Days. 6.00 Day By Day; 6.00 Scene South East (South East Area only). 6.30 Out of Town. 8.00 Streets of San Francisco. 10.30 Southern News Extra. 10.35 Opinions Unlimited. 11.05 Soap. 11.35 The Late, Late Premiere: "The Man Who Couldn't Say No"

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. †2.45 Friday Matinee: "Band Waggon," starring Arthur Askey and Richard Murdoch. 5.15 Happy Days. 6.00 Sportstime. 6.25 Northern Life. 10.30 North East News. 10.32 Friday Live. 12.00 WKRP In Cincinnati. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. †2.45 Friday Matinee: "Gangway." 4.13 Ulster News Headlines. 5.15 Mork and Mindy. 6.00 Good Evening Ulster. 8.00 Vegas. 10.29 Ulster Weather. 10.30 Sportscast. 11.00 Witness. 11.05 Friday Film: "The Stranger Who Looks Like Me." 12.25 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 2.45 The Friday Matinee: "Twin Detectives." 4.12 Gus Honeybun's Birthdays. 5.15 Emmerdale Farm. 6.00 Westward Diary. 8.00 Vegas. 10.32 Westward Late News. 10.36 Sportsline. 10.55 TV Movie Premiere: "Deathstalk." 12.10 am Faith For Life. [illegible]

GRANADA

[illegible]

YORKSHIRE

[illegible]

Radio Wavelengths

[illegible]

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 4

[illegible]

RADIO 3

[illegible]

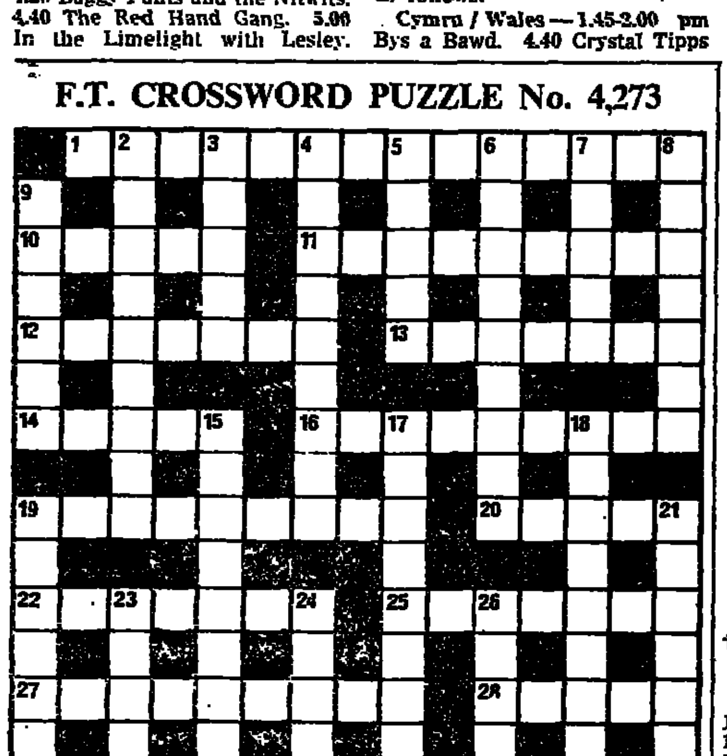
BBC Radio London

[illegible]

London Broadcasting

[illegible]

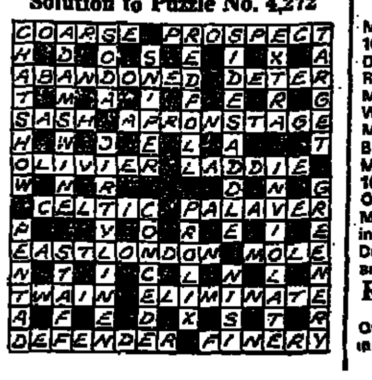
F.T. CROSSWORD PUZZLE No. 4,273



ACROSS
1 Worthless person is well-behaved but without reward (4-3-7)
10 Jockey often seen on scales (5)
11 Combine food bit by bit (9)
12 A learner in part of play involved in irregular triangle (7)
13 Style to give a right to (7)
14 Scot I upset is indifferent to pleasure or pain (5)
16 Agitate feathers to make a temporary bed (5-4)
19 Painter pretending partially to explain (9)
20 Race around small pipe (5)
22 Pet hurt badly in plant (7)
25 Refrain from giving sailor a mark (7)
27 Catch sweeper using manual cleaner (4-5)
28 First of nutrients found in cheese and salt water (5)
29 Sound of busy line or token of intended union (10-4)

DOWN
2 Strange chap dismissed as a misfit (3-3-3)
3 Note in dreadful lament (5)
4 Work on newspapers or it could be a tyrant (9)
5 Female relative is initially efficient and nice about it (5)
6 Pleasure excursion people start taking could be just what the doctor ordered (9)
7 Chemically inactive form of nitre (5)
8 Vessel with capacity accepting end of wine (7)
9 Half of crew on river make the turning point (6)
15 Item of luggage for travelling politician? (6-3)
17 Rough material could make Hank a star (9)
18 Musical drama company turn it on for action (9)
19 Strained in time (7)
21 Delicate offer of service (6)
23 Regretting putting half of us in circle (5)
24 Straw to drag over French man (5)
26 In this manner be right and temperate (5)

Solution to Puzzle No. 4,272



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight 7.30 Tosca. Tomor. & Tues. 7.30: Fidelio. Mon. & Thurs. 7.30: Die Fledermaus. Wed. 7.30: [illegible]

THEATRES

PALACE. S. CC. 01-437 6834. From Sept. 17. The Fabulous New Production of OKLAHOMA!

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS & HAMMERSTEIN'S [illegible]

[illegible]

WYNDHAM'S. S. 01-836 3028. CC bkgs. 379 6565. Tickets only £1.80-£4.80. Evgs. 8.00. Fri. and Sat. 6.00 and 8.40. Dario Fo's farce ACCIDENTAL DEATH OF AN ANARCHIST. Air condition.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: APOCALYPSE NOW (X). Wk. & Sun. 1.15, 4.30, 7.55 70 mm Dolby stereo. Late Show Sat 11.00. 2: AMERICAN GIGOLO (X). Wk. & Sun. [illegible]

[illegible]

ART GALLERIES

[illegible]

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London W1. NEW STRIPTEASE FLOORSHOW "CLOSE ENCOUNTERS" 11-2.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

Cinema

A life of many meanings

by GEOFF BROWN

The Tin Drum (X)
Odeon Haymarket
The Great Rock'n'Roll Swindle (X)
London Pavilion
The Evictors (X)
Classic Victoria, Classic Leicester Square
Halas and Batchelor
National Film Theatre

Pens in universities are no doubt poised at this moment to thrash out the eternal battle between literature and cinema, comparing and contrasting Volker Schlondorff's film *The Tin Drum* with Gunter Grass' famous novel, which made such a stratrling impact on its appearance in 1959. Having no detailed knowledge of the book I cannot join the fray, though I note from a hurried survey of the Penguin edition (almost 600 pages long) that the sequences chosen for filming generally follow the original closely, and the presence of Grass as collaborator on the dialogue obviously counts for a large degree of fidelity. But what seems important at the study desk is rarely so important at the Odeon Haymarket. Whatever its source, audiences will find *The Tin Drum* to be a film of power and accomplishment.

The story it tells is by turns pathetic and satirical, and above all bizarre. The hero, Oskar, is a grocer's son from the Free City of Danzig, born in the 1920s and so repelled by the adult world that he stunts his physical growth by falling down the cellar steps on his third birthday. As a present he receives a tin drum painted claret red and white; thereafter he rarely makes a step without it. By the end of the film version this anarchic, disengaged *wunderkind* is 21, though still a child in height. He has seen Nazism creep insidiously into his family life; he has observed the long-standing love affair of his mother (Angela Winkler) with her cousin Jan (Daniel Olbrychski); he himself has made love to the servant girl. He and his drum have witnessed the first shots of World War Two, later touring German troops with the midget Bebra's Frontline Theatre.

Oskar's life plainly contains many meanings. On one level his blatant denial of adult responsibility reflects on the awful dilemma of Germans under Hitler (including Grass himself, born in Danzig in 1927 and briefly a member of the Luftwaffe). On another it reflects the common desire to prolong childhood innocence as much as possible. But all meanings are centred on the hero, and here Schlöndorff has been spectacularly fortunate, for the performance of the 12-year-old David Bennett is one of great force. With his deep-set, heavy-lidded eyes, the boy displays that look of terrible, inborn knowledge that beings from other planets sometimes attempt in science-fiction films. He thus gives conviction to the weirdest details—the special screams he musters that shatter glass in grandfather clocks, spectacles and historic buildings; his placing of Waldmeister fizz powder on various parts of the servant girl's body.

Schlöndorff has had much experience in converting novels into films (past authors have included Robert Musil, Böll and von Kleist). And he certainly holds a tight rein here, never allowing the material to become impossibly grotesque. He is also careful to provide the story with a realistic base in Danzig society, with its lower middle-class Germans and Poles struggling to get by. There are a few jarring moments: the part of a Jewish shopkeeper, for instance, is disconcertingly played by Charles Aznavour, dubbed into German. But in general one readily accepts Schöndorff's and Oskar's perspective: *The Tin Drum* is a film of harsh truths, harsh beauty, and definitely not to be missed.

★

All told it hasn't been a week for delicate sensibilities. *The Great Rock 'n' Roll Swindle* is a quasi-documentary about the Sex Pistols, the Punk Rock group who conducted a brief but disastrously successful experiment in lowering standards of musical—and human—behaviour at the end of the Seventies. A film project had been in the pipeline since 1977, when they were the scourge of Jubilee Britain with an anti-Royalist hit single. Russ Meyer, America's purveyor of high-gloss pornography, was to have directed them in an opus called *Who Killed Bambi?*

This lickily collapsed; in the intervening years the project has grown from the Disney lampoon Meyer envisaged to the amazingtly clumsy hybrid now before us. It's a witches' brew of archive Pistols footage, TV interviews, live-action and animation fantasy, written and directed with a wild disregard for taste and logic by Julian Temple, a recent grduate of the National Film School.

David Bennett as Oskar in 'The Tin Drum'

Many would consider the Sex Pistol's relentlessly loud, sneering music a sufficient handicap for any lfim. But *The Great Rock 'n' Roll Swindle* is made in such a haphazard way that it would be objectionable even if its subject were Pearl Carr and Teddy Johnson. Proceedings at least begin with a framework—the ten lessons of the Pistol's former manager Malcolm McLaren, who with blithe candour portrays himself as a dedicated swindler of record companies, the public, the media and ultimately the group itself. Lesson five, for instance, is "How to get money from the record company of your choice"; lesson seven is "Cultivate hatred." The points are then demonstrated through the Pistol's career. There is the ransacking of the A & M Records office (seen in animation), which allowed a lucrative contract to be quickly concluded before any comitments were fullified. There are the especially staged perambulations of Sid Vicious in Nazi T-shirt through a Jewish area of Paris; his performance of "My Way" before a bejewelled audience, culminating in revolver shots aimed at the front rows. But no amount of lessons can tie all the material into a meaningful whole, and it doesn't take long for the lm to resemble some rubbish dump of celluloid. *Swindle* obviously contains material to interest pop music fans and cultural prophets of doom, but its contribution to cinema is distinctly negative.

★

Nothing overwhelmingly pleasant happends in *The Evictors* either, but there is at least some logic and skill in the presentation. This is an American horror film from the well-stocked stables of American-International; the director is Charles B. Pierce, usually associated with low budget Westerns.

But *The Evictors* displays a new touch of class, with its network of sepia flashbacks and solemnity of pace — the latter entirely suited to its sombre tale of a Louisiana farmhouse whose inhabitants always succumb to violent, inexplicable death. Michael Parks and the perennially frightened Jessica Harper provide the archetypal nice couple who proudly set up their their home only to find a scribbled note saying "I want you to move" stuffed into the mailbox. Like many horror films, *The Erictors* is at its best when the horrors are being contemplated, rather than being met with face to face. Some venerable clichés appear in the climax, but there are still many things in the film's favour — not least the brooding air of undefined menace that hangs over the small-town environment.

But for those desperate for something absolutely harmless, there is only one suitable new attraction in London: the short Halas and Batchelor season at the National Film Theatre, which begins on Monday for four consecutive evenings. Hungarian1born John Halas and his wife, Joy Batchelor, hold a unique place in British animation history for their contribution over 40 years to sponsored films. Their cartoons have persuaded audiences to save wartime scrap for salvage, to cross roads carefully, to avoid infection while on active service in the Far East, and to understand mathematical principles. They have advertised oil, gas, German savings banks, wool fibres and some forgotten tasty morsels called Tudors which were on sale in 1970 for 5p. They have also experimented with 3-D, puppets, and fashioned the first British cartoon feature from George Orwell's *Animal Farm* (showing on Tuesday). Their ingenuity, indeed, knows no bounds, and it's good to have the cream of their output on display.

Royal Shakespeare Theatre

The Maid's Tragedy

by B. A. YOUNG

This lively play by Beaumont and Fletcher—names that go togeher as unequivocally as Swan and Edgar?is what they call a "tragi-comedy." The tragedy is there in plenty; there are almost as many deaths as there are in *Hamlet*; but we aren't expected to take it vary seriously, or to explore the philosophy involved, which in this case is minuscule indeed.

But though we needn't take the tragely seriously, we ought to take the play more seriously than Barry Kyle does in his production, whihc often seems like a send-up. Luckily it is saved by some admirable playing in the good scenes with which the play abounds. Sinead Cusack's Evadne, measuring truth against hypocrisy as she shifts from evil to repentance, is the very mage of bland deceit when she reveals to her new husband, young Amintor (Rob Edwards), that the King has only commanded him to marry her so tht she can be handy to sleep with him. "A maidenhead, Amintor?" she laughs. "At my years?"

Amintor was formerly betrothed to Aspasia (Domini Blythe, a welcome capture from the Transatlantic Stratford). Her curious way of righting things is to go away and come back disguised as her brother, lately in the wars, then taunt Amintor until he stabs her, which she does with much boyish punching and kicking. Amintor's regret, when he finds who she really is, makes him stab himself as well.

But much has happened during Aspasia's absence. Amintor's friend the heroic Melantius, on discovering his sister Evadne's shame, compels her at knife-point to undertake the assassination of the King, which she accomplishes by tying his hands and feet to the bedposts ("What pretty new device is this?" asks the King) and stabbing him repeatedly, with a little dance of triumph round the bed. (She stabs herself later, of course.) Melantius (Tom Wilkinson) is tragi-comedy itself in the scene where he persuades her to the murder; excellent too in a scene with old Calianax, a Polonius-figure who Raymond Westwell plays as a Prussian general, carrying his swordstick even when he is in his dressing-gown. The social duel where Melantius makes Calianax give up the fort he commands is really very funny.

When Francis Beaumont and John Fletcher were so clearly aware of the intrinsic absurdity of their romantic tragedy, Barry Kyle's additional jokes are only vulgar. Judith Bland's costumes, spanning two or three centuries, are silly. Rob Edwards in a kind of lounge suit addressing the King (John Carlisle) with his hands in his pockets; Evadne's other brother Diphilus drinking from a hock-bottle; Dula entertaining the ladies with a transistor radio; Amintor throwing all the ghastly cane chairs with which the stage is furnished at the guilty Evadne; music in a near-pop vein by Nick Bicât — the play can get by without this kind of commonness, as indeed we saw last year at the Citizens. Tragedy-comedy need not be tragi-farce. Fortunately Beaumont and Fletcher win the contest, and give us a delightful evening.

Wigmore Hall

The Songmakers' Almanac

by DOMINIC GILL

The Songmakers' Almanac do not give recitals but, in the old-fashioned sense, Entertainments. Sometimes their inspiration leans a little too heavily on the sentimental and the coy; sometimes the literary and verbal part of the programme overburdens the music and song. But at its best, a Songmakers' evening is original and provocative, delivered with splendid finesse, and compiled with unusual imagination and skill.

Wednesday night's was among the best: and was sustained on this occasion by four performers alone—Graham Johnson at the piano is the only constant member of a cast which changes at every appearance. The theme, subttled "if Fiordiligi and Dorabella had been Lieder singers . . ." proposed a sequence of songs and duets for sisters. Sisters have always been plentiful; and the vein is, not surprisingly, a rich one. But it was Graham Johnson's decision to shape his programme, in the broadest sense, along the lines of *Cosi fna Tutte*—a sequence in six parts, beginning with "Sisters in love" and passing through "Constancy," "Weakening" and "Capitulation" to "Reconciliation"—which gave the best excuse to broaden the canvas, and to season it with a number of songs that might otherwise have seemed entirely irrelevant: notably seven great Wolf songs from the Italian and Spanish Songbooks.

The voices were Felicity Lott, Ann Murray and Richard Jackson — the man's a small, supporting role. Songs *about* sisters (like Brahms's unusually sprightly "Die Schwestern") were outnumbered by songs *for* sisters (like Schubert's little *Sing-Ubungen* for the young Esterhazy countesses, or Fauré's splendid "Tarentelle" for Claudie and Marianne Viardot); but both were outnumbered by songs which simply fitted into the *Cosi* scheme. And that was no disappointment: for they were best, or most unusual, songs and they were th eones to which Miss Lott and Miss Murray brought their warmest and keenest concentration.

In a lighter interlude, George he can love" and Hermann Darewski's "Sister Susie" were sung separately, and then together in witty combination. Kurt Weill's magnificently sugar-spun setting of Ogden Nash's "That's Him" (from the wartime musical *One touch of Venus*) was a real find, and done with real style. I'd not heard the two early Britten duets, settings of Montague Slater and Auden, before—nor Britten's two attractive duet arrangements of Purcell. Schumann's *Botschaft* is a lovely duet that should be heard much more often. But finally it was the Wolf which echoed, and re-echoed, most strongly in the mind: could all three singers come back one evening, maybe, between Almanac sessions, and give us Wolf alone?

New York theatre

Off-Broadway

by FRANK LIPSIUS

The first act of Michael Weller's *Split* shows the playwright at his incomparable best at using the familiar phrases of his own mid-1930s generation gently to mock them. Paul and Carol's successful marriage is like an exquisite, delicate vase which teeters on a tabletop when they argue during preparations for an intimate dinner party. They try to hold themselves back with an extreme reasonableness that only kindles the explosion. John Heard and Brooke Adams make the perfect specimens in this study of "relationship management," as directed by Carole Rothman and produced by the Second Stage.

The second act, which finds Paul and Carol uncomfortably meetin gother friends after their marriage does break up, shows the jagged edges, but also the inertia, of the vase shattered in pieces on the floor. Compared to Weller's superb skill at turning his generation's ordinary conversation into humour without demeaning his characters ("I do not recognise us in this conversation," Carol says at one point), the second act is broad slapstick, an unfortunate distortion of the playwright's talent, but one that fits the tenor of off-Broadway theatre this season.

A succession of plays by young playwrights have been built round exaggerated characters who say funny lines and perform funny scenes, but fail to cohere their bits into solid impressions. Arthur Bicknell's *My Great Dead Sister* at Playhouse 46 begins with a hilarious scene of two teenagers who get caught parading in women's skirts. Charles Michael Wright as one of the boys runs the gamut of exaggerated emotions, from exuberant playfulness to sullen withdrawal. He would have stood out better and been capable of more interesting development had the playwright not felt compelled to fill the stage with a grossly overweight sister ,one parent who drinks to excess ad the other facing terminal illness. The play sounds almost like a takeoff on current preoccupations in New York theatre, had the writer been interested in mockin ghis peers more than his hapless characters.

Matthew Cowles makes an exceptionally effective drunk in Edward Allan Baker's down-and-out-in-Brooklyn play which is as succinct as its title, *What's So Beautiful About a Sunset Over Prairie Avenue?* The Ensemble Studio Theatre, as usual, excels at getting the most out of limited resources, but the characters' depravity, once revealed, moves no further than the next bottle of cheap wine and further indignity.

One Mo' Time, subtitled, "An Evening of 1920s Black Vaudeville," is not short on indignity —or cheap alcohol for that matter. But the vitality of the four singers in the cellar of the Village Gate who recreate the jazz era ,replete with a New Orleans band led by the 72-year-old trumpeter, Cladys "Jabbo" Smith, drowns the bickering in a revivalist spirit. Though inspired by the Fats Waller musical, *Ain't Misbehavin'* and by now preceded by other musicals in the genre, director and adapter Vernel Bagneris cleverly stakes out new territory by putting the backstage area right on stage—and filling the production with outstanding songs.

The Astor Place Theatre first tried exaggerated characterisations with familiar names in Dennis McIntyre's Modigliani. The effort succeeded insofar as the play was optioned for a film by Al Pacino, but as a play, there is little more than carousing punctuated periodically by furious slapdash painting that, presto, produces masterpieces. Unknown characters do better in *A Coupla White Chicks Sitting Around Talking*, the story of two neighbours getting to know each other in an exclusive New York suburb. Eileen Brennan as a newly-arrived Texan brings out the soul of the demure Susan Sarandon, whose possibilities are evident from a hilarious opening scene in which she dances exuberantly to the Rolling Stones while baking biscuits. Director Dorothy Lyman makes the best of playwright John Ford Noonan's lines that give the backwoods southern woman the savvy the Westchester-county veteran lacks. An unfortunately conventional ending in which the southerner returns to her husband ruins what could have been an outlandish exercise in role reversal and gay abandon. rodit,tkkqpig-

Hugh Griffith dies

Actor Hugh Griffith died at his London home on Wednesday, aged 67. Griffith—a Welshman —starred in numerous films, on television and on the stage in Britain and the United States during his long career.

He won an Oscar as best supporting actor in the epic *Ben Hur*.

Ronnie Scott's

Woody Herman

by KEVIN HENRIQUES

Veteran (well today *is* his 67th birthday) leader of big bands, Woody Herman thundered in and out of Ronnie Scott's on two nights this week with his New Young Thundering Herd. Most, if not all, his musicians were unborn when Herman, one of the all-time great survivors in jazz, fell into becoming a band leader in the mid-1930s. But his latest Herd, like all previous editions, performs the music of the 1930s, 1940s and 1950s with the same relish, enthusiasm and conviction lavished on contemporary pieces such as the spectacular version of "Macarthur Park," Steely Dan compositions, and Chick Corea's "La Fiesta."

As always Herman astutely gauges his audience's preferences, satisfyingly blending the oft-heard with the not-so-familiar and steadfastly eschewing any sniff of cloying nostalgia or "trivia," as he calls it. Early Wednesday morning a handful of brand new and welcome additions to the repertoire were heard, highlight of which was a stirring version of "Struttin' with some Barbecue," traditionally a New Orleans small group theme and rarely attempted by a big band.

There was a stiff dash of Ellington music mixed with an equally strong flavour of John Coltrane — the Frank Tiberi arrangement of the latter's "Countdown" was notable for some quite dazzling unison sax section work-outs.

For some years Tiberi has also been the solo mainstay among the saxes but as has been the case with several recent Herds ther is no truly outstanding soloist in the other sections. Trombonist Nelson Hinds (excelling on "Bijou"), trumpeter/flugel hornist Jim Powell (lyrical on "Come Rain or Come Shine") and Tiberi have been here before and carry out most of the solo chores with aplomb rather than flair.

The leader's expressive soprano-sax wailed with Middle Eastern modal fervour, particularly on "Macarthur Park" while elsewhere his clarinet sounded noticeably more shrill than ever before. The tonal colours of some of the compositions (sometimes five flugels in unison, or a combination of flute, piccolo and saxes, with a bass trombone always adding extra depth to the sound) are the stand-out features of the 1980 Young Thundering Herd. Unusually the drumming is not as propulsive or as firmly effective as it needs to be with a band of this size (16 altogether). But even this blemish cannot diminish the Herd's tremendous impact. Among stopping places on its British tour are Lewisham on Sunday and Hatfield on Saturday May 24.

Palladium Cellars

The Palladium Cellars, an exhibition of popular film and theatre history using animated dummies, was opened yesterday by Yul Brynner. The visitor enters the exhibition in Argyll Street and descends below ground to wend his way through a couple of dozen *tableaux rivants* dominated by some of the most macabre characters in the annals of showbiz, including Macbeth, Fagin, Sweeney Todd, Poe's Raven, Frankenstein, Dracula and the Phantom of the Opera.

Some of these characters and their attendants such as Macbeth's witches address the visitor directly; many others turn their heads and raise their arms. Dracula's fiery red molars sink into the lily-white neck of his victim while in the Wild West saloon, which is, another piece of vivid realism, John Wayne crooks his trigger finger menacsingly at the passer-by. There is also a continuous commentary on tape which tends to go on for a shade too long, and will no doubt be cut when the exhibition settles down.

The show is the brain-child of Louis Benjamin, managing director of the Palladium, and has been most ingeniously devised by Michael Carrerars and Monty Berman. Mr. Carreras and Monty Berman. Mr. Carrerars has spent much of his working life with Hammer films, and has here indulged his talent for terror-spectacle at the expense of other popular forms such as comedy and variety. We sup too full on horrors even for the appetite of most goulish teenager. The Palladium's own tradition is squeezed perfunctorily into a Hall of Greats which the visitor sees after the shop at the end. It seems incredible that an exhibition mounted by the London Palladium should contain nothing of Gracie Fields, Max Miller, Syd Field, the Crazq Gang, Danny Kaye, Liza Minnelli and many others who are much more truly its own than Boris Karloff or Peter Cushing ever were.

ANTHONY CURTIS

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871, 883897

Telephone: 01-248 8000

Friday May 16 1980

Credit growth still high

MONETARY growth is dead; long live credit growth! Some such irreverent thought is readily inspired by a quick reading of the latest monetary statistics from the Bank of England. The official aims of monetary restraint have now been achieved, with the growth of sterling M3 comfortably within the target range for the first time ni many months; but this has been achieved in a month when new bank lending to the private sector reached a record of over £1.5bn. The contrast is of course exaggerated, but still needs to be explored.

The first point that needs to be made is that April simply presented in exaggerated caricature a situation which has persisted for many months. Public sector demand for bank credit has been ambnormally low—indeed April saw a very large surplus after sales of stock—and private borrowing has been correspondingly much higher; the total growth of credit—domestic credit expansion, or DCE—has not been nearly as abnormal as the crude bank lending figures would suggest. Tax collection and funding have combined to drain money out of the private sector, which has been forced to borrow abnormally to restore its liquidity.

Moderate

In coming months it seems likely that high pay settlements and tax receipts, somewhat depressed by recession, will impose a more normal balance on the public sector, and that the private sector will be squeezed less. The bank lending figures will moderate, but monetary growth will not fall in step. Quite simply, one distortion will have been removed.

However, in a more fundamental sense, a gap remains which is significant. This is the large remaining gap between the growth in the officially defined money supply and DCE itself—its counterpart on the asset side of the banking balance sheet. DCE has to some extent been brought under control since the raising of interest rates last November, but it is still running at an annual rate of well over £7bn, or the equivalent of perhaps 15 per cent monetary growth. Such a contrast has in the past been the harbinger of a crisis over the exchange rate and the balance of payments. Now, though it is true that the balance of payments remains in deficit, the only worry about the exchange rate is its embarrassing strength. Things are clearly not what they used to be.

While it is possible to "explain" this gap in an accounting sense through a close study of such figures as the non-deposit liabilities of the banks, the external component in financing, and the counterpart of our rising foreign exchange reserves, the exercise is not very instructive. Fortunately there is a short cut. Much of what is odd and unfamiliar in the present figures can be traced to one influence: sterling is now a petro-currency.

Exchange controls

It is our present and prospective North Sea strength which enables us to have a deficit without a crisis, and which encourages foreign depositors to hold sterling, which finances lending above the growth in domestically-held liquidity. The abolition of exchange controls, another consequence of the North Sea, also explains some other oddities—the recourse by some British companies to direct borrowing overseas, and the growth of UK holdings of foreign currency.

In short, our oil-currency status greatly reduces the domestic discomforts of a squeeze on monetary growth, especially on the official definition—restricted to domestic holdings of our own currency. British businesses have readier access both to credit and to liquidity outside the system. Without this relief, the achievement of monetary growth nearly 10 per cent below the rate of inflation would imply a frightening credit crunch. As things are, it implies a much more bearable restraint.

If the Government's anti-inflationary objectives depended entirely on the restriction of money and credit, it might be argued that the North Sea leak makes the whole system slow and questionable—in effect, we are limiting monetary growth through a deficit on the balance of payments, which is hardly the objective. However, the North Sea has another consequence. The strength of the exchange rate is indeed a brake on many prices.

Costs

The combined effect of foreign competition and high, but not unbearable interest rates will no doubt slowly and painfully check both growth and inflation; but it is still possible to finance excessive increases in costs. Checking costs themselves and restoring healthy margins under this regime is likely to prove slow and painful.

The tragedy of Uganda

IT IS NOW over a year since Uganda was liberated from the eight-year tyranny of President Idi Amin. Yet the once prosperous East African country seems as far away as ever from achieving political stability, let alone realising its economic potential. Much confuson still surrounds the ousting from power last weekend of President Godfrey Binaisa, who himself supplanted President Lule only last June. Binaisa is still apparently in Uganda, and constitutionally still holds some powers as least until his successors appoint their promised presidential commission. But real power—in so far as that can be said to be concentrated in a state now so fractured as Uganda — appears to have reverted to the military, albeit to men of anti-Amin sympathies.

Dismissal

The immediate cause of the military coup appears to have been President Binaissa's decision to dismiss the Chief of Staff of the new and supposedly reformed anti-Amin army, Brig. David Ojok. Ojok served under former President Milton Obote, whom Amin ousted in 1971. From his exile in Tanzania last week, Dr. Obote declared his imminent return to Uganda to fight elections which the Binaisa's overthrow. This speculation, denied by Dr. Obote, has been reinforced by the presence of several other former Obote supporters on the Military Commission, in whose name the weekend action was taken, including that of the lone civilian, Mr. Paulo Muwanga, a minister in the Obote government, as in several subsequent Administrations.

The next few days may clarify the nature of the takeover. The Military Commission has said that it will appoint a presidential committee, apparently to rule until elections can be held; and has called its parent body, the 125 member quasi-parliament or National Consultative Council, into session next week to discuss its proposals.

Whatever the immediate reasons for Binaisa's overthrow, its roots go deep into Uganda's history and offer little but the most pessimistic prospects. Dr. Obote inherited from British colonial rulers a country which with its coffee, copper and cotton exports and rich farms was comparatively prosperous, apparently offering the hope of real development. Today, largely thanks to the depradations of the Amin regime, but at least partly because of Dr. Obote's economic policies, Uganda is almost back to a subsistence economy. The problems — including desperate shortages of the most basic goods and roaring inflation—are worse now than they were a year ago.

The tribal divisions between north and south were exarcerbated by Dr. Obote as he crushed the political influence of the Kabaka of Buganda so that the Baganda, the single largest tribe, were enthusiastic when Obote was overthrown in 1971. The tribal animoisities are even deeper now after eight yars of Amin's brutal, tribal rule. The man who could hope to bridge that tribal divide is not in sight. But perhaps as serious a legacy of the past decade in Uganda has been the thorough demoralisation and then virtual destruction of the fragile institutions on which any state must depend for its stability.

Aid

The current attempt of East African leaders to help Uganda once more toward some semblance of order might succeed temporarily. President Nyerere, his own economy disastrously affected by the costly decision a year ago to use his army to help oust Amin, must devoutly wish it. The tragedy of Uganda over the past ten years is that it is now without a reliable civil service, or a dependable police force, or a disciplined army, to say nothing of a judiciary, or working economic institutions, on which to build that more secure future which its natural resources could provide.

Will Mr. Iacocca ask for more?

By IAN HARGREAVES, in New York

"THESE securities are highly speculative, involve a high degree of risk and should be purchased only by persons who can afford a total loss of the purchase price."

Thus, in the euphemism-free language of the lawyer, can the risk of investing in the Chrysler Motor Company be summarised.

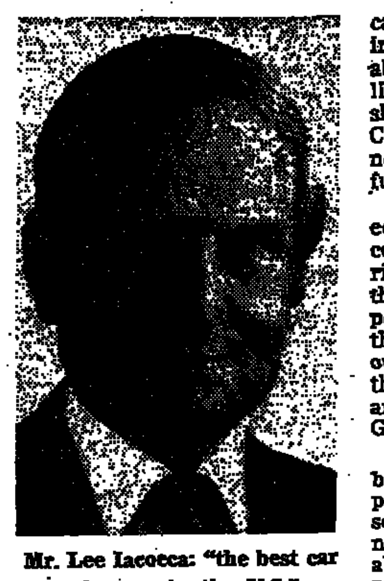
The words actually come from page one of a prospectos issued by Chrysler in March offering $400m of debentures to dealers, suppliers and others with an interest in the survival of the company.

This week the U.S. Government six months after President Carter formally launched a Bill to bail out Chrysler, has finally agreed terms on which the U.S. taxpayer will invest in the country's third largest motor company—and not long ago its tenth largest industrial corporation. At $1.5bn in loan guarantees, the rescue is the biggest in American corporate history, dwarfing the $250m it cost to save Lockheed in 1977. What chance has the taxpayer of seeing a return on his investment — or even getting his money back?

The view of the members of the Loan Guarantee Board which vetted the terms is that Chrysler can succeed given government aid. This represents the board's "reasonable business judgment." By agreeing to authorise the programme, the board has said that beyond 1983 Chrysler will be able to function without external assistance and that it will start to pay back the guaranteed loans. Certainly Messrs. William Miller, Treasury Secretary, Paul Volcker, chairman of the Federal Reserve, and Elmer Staats, Comptroller General, cannot argue that they did not have the facts. They and their staff have spent four months poring over numerous rewrites of Chrysler's plans and projections, its loan agreements with over 300 lenders and all this at a time when the crumbling of the U.S. motor industry at the hands of the European and Japanese importers has provided enough off-stage thunder to terrify even the hardiest investor.

What the board found, when it first sat early in January to apply and oversee the terms of the Chrysler aid legislation passed by Congress in December, was a company which had stacked up a U.S. record loss of $1.1bn for the previous year, was losing market share (10.4 per cent last year against 13.6 per cent in 1976 and well under 10 per cent this year). Its debt exceeded net worth, it was in gross default on virtually all its loans and it had a reputation for bad management.

Like most bad reputations, some if it was justified, some of it was not. Its management had changed too frequently; it had allowed overheads to remain overweight even as the base of the company shrank; it was unprotected by a significant non-auto operation; and it had engaged in a disastrously inflexible policy of building cars for stock rather than in response to actual orders from its dealers. So when there was a downturn, Chrysler was more likely to get burned, as it did in 1974 and 1975—the time of last motor industry recession.



Mr. Lee Iacocca: "the best car salesman in the U.S."

he other main accusations —that its products were poor and that they were the wrong products anyway — are only partially true Chrysler's product recall record is actually better in percentage terms than either Ford's or General Motors'. Whether its cars and trucks were really any shoddier than the average Detroit product is impossible to assess, but there is no doubt the market had begun to believe they were.

As for product availability, Chrysler was again no better and no worse than its competitors. It started work on its fuel-efficient, front wheel drive K-car in 1977 to be launched this autumn, and again in percentage terms has had a bigger relative output of smaller cars than either Ford or GM in the past year. But like its two larger competitors, and the American public, Chrysler made the mistake of thinking that the U.S. could live in the same way after the 1974 energy crisis as before it. Only last summer did the public change its mind, driving the "gas guzzler" very nearly out of business and opening the doors to an unprecedented influx of imported cars, which no whold over 27 per cent of the U.S. car market.

By last autumn, it was clear that these conditions—pointed up, but not in reality made much worse by government minimum fuel efficiency standards—had made Chrysler's survival impossible without either government aid or drastic reorganisation after bankruptcy.

In order to re-tool to build the vehicles the market wanted and the Government required, Chrysler needed $13.6bn between 1979 and 1985 (a figure reduced to $11.2bn with economies introduced since last October). At the peak of this capital spending programme, its inflow of funds from any reasonable projection of sales looked like falling as much as $4bn short of its cash needs. With Chrysler's record and pospects, no market would provide these funds.

Mr. Carter was afraid of the economic dislocation a Chrysler collapse would cause and worried by warnings from his staff that without Chrysler the importers would seize more than a third of the market (as it turns out they have very nearly done that even with Chrysler around). So he decided the Government should help.

This caused one of the bitterest disputes about business philosophy the U.S. has seen for some years. Eminent big business figures lined up against the abandonment of free market principles, as did the heads of some banks and important figures in Congress. But when it came to decisions, no-one was willing to be cast in the role of executioner. The Government was unwilling for obvious reasons of electoral popularity in key states; the domestic banks because of their image and because they calculated anyway that a bankruptcy could cost them more than keeping the company going on the right terms; and the foreign banks because they too were worried about their reputation and the political risks of enraging important sections of Congress.

Meanwhile, Chrysler under its new chairman, Mr. Lee Iacocca, kept saying it had changed. A vote for Chrysler was not a vote for the tired old company which nobody loved. As one would expect from Mr. Iacocca—a man with the reputation of being the best car salesman in America after a career at Ford which only stopped at the Number 2 chair because Henry Ford II did not like his style—the claim involves a good deal of sales talk.

The things that have changed voluntarily are the top management (four of the top six are Ford men) and the company's engine supplies. The last is crtical, because one of the main factors in Chrysler's loss of market share has been its shortage of four cylinder engines, which it imports from Mitsubishi of Japan and Volkswagen of West Germany. In the model year which starts in October, Chrysler's New Jersey four cylinder engine plant will be on stream and, added to the imports, the company will have excess to 1m such engines. That is greater than the entire number of cars Chrysler sold last year and it is a position which will strengthen further in 1982 when a second engine plant in Mexico becomes operational, removing the need for most of the existing imports.

The bigger changes, however, have evolved under the duress of negotiating with government and lenders during what could turn out to be the worst post war slump in the motor industry.

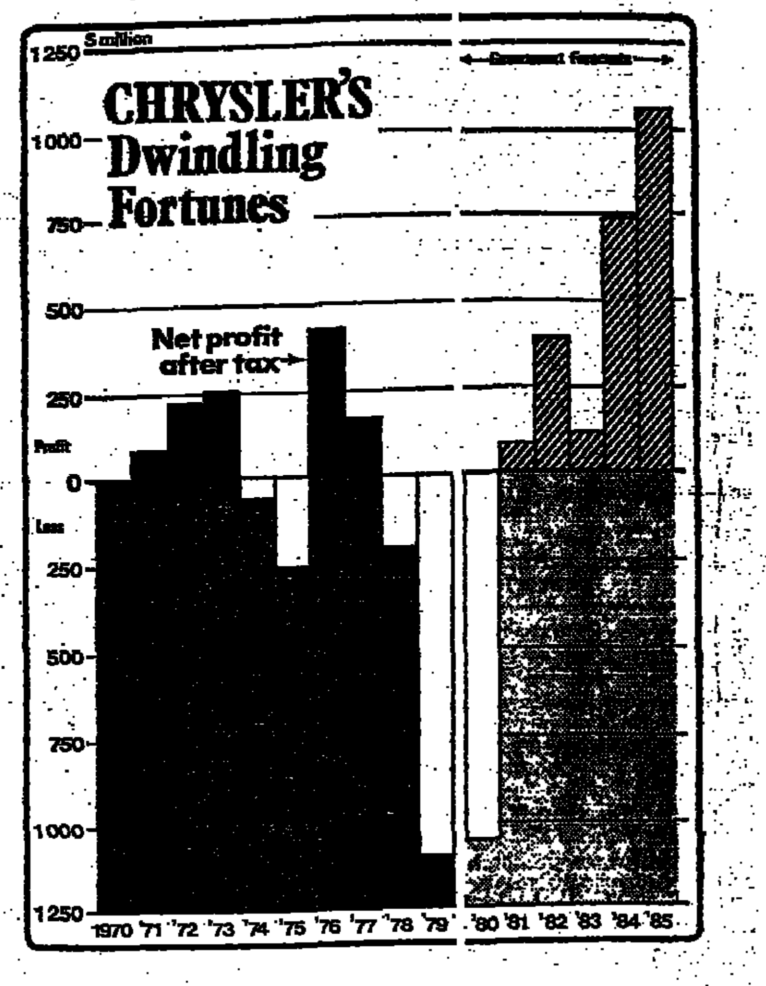
Most important is the size of the company. Chrysler has announced the closure of four of its ten assembly plants since it started talking to government and has laid off indefinitely over 30 per cent of its hourly paid workforce, most of whom have little prospect of re-employment. White collar staff have also been sharply reduced. In terms of products, the company has abandoned its heavily argued claim that it could only survive as a manufacturer of a full range of vehicles. Its latest plan says that by 1984 it will build only small cars and light commercial vehicles, essentially with two model ranges plus a possible stretched version of one of these.

It has also, by any standards, enjoyed remarkable co-operation during the last harrowing six months from its workforce and trade union leadership. There has not been a dispute of significance over any closure or economy—a degree of co-operation formalised this week when Mr. Douglas Fraser, President of the United Autoworkers Union, was elected to the Chrysler board, the first union boss on an American board of directors. Whether this will improve workmanship on the shop floor remains to be seen.

Chrysler has also managed to keep alive its vital relationship with Mitsubishi in which the U.S. firm holds a 15 per cent stake and whose captve imports have acocunted for a quarter of Chrysler's car sales in recent months. The company has also added to this a development of its relationship with Peugeot-Citroen. This could turn out to be no more than a loan deal, but the other forms of co-operation the two companies have disclosed, ranging from joint assembly in the U.S. to various technical co-operatives, represent perhaps the single most exciting long-term prospect for the smaller Chrysler, which has been forced to sell virtually all its non-American operations. Certainly the Peugeot link represents Chrysler's best chance of long-term prosperity in an age of even larger motor companies and there is strong evidence that Mr. Iacocca understands this, although he could have difficulties persuading American politicians that a bailed out Chrysler should be merged with a foreign firm.

These are the bull points, but what about the problems? They are numerous, as Mr. Iacocca frankly admitted to his shareholders' meeting in Illinois on Tuesday. "You could not make the task facing our company more difficult if you tried," he said.

The immediate problem is the retail car and truck market, which has been in slump conditions since last autumn, but which is now being forced lower by a recession in other parts of the economy. Chrysler's sales in the last few weeks have been more than 50 per cent below those of the same period last year.



This is happening when, in spite of the recent dramatic fall in U.S. interest rates, the prime lending rate is still over 16 per cent, which means that most dealers are paying over 17 per cent for their financing costs. A lot of would-be car buyers simply cannot get loans.

If this recession burns on through the launch of Detroit's new cars this autumn, slowing down the sale even of smaller cars as has been the case in the past eight weeks, Chrysler's K car launch in September could be a flop. If the K car flops, so will Chrysler. It will make heavier losses and require more funding than the Government expects even though by the government's estimates there is a $100m cushion against unforeseen events in the provision of the $1.5bn government aid. (Chrysler says there is a cushion of $1bn.)

The importance of the K car cannot be overstated. It is the core of Chrysler's product strategy for the next five years. It goes without saying that the car has to be of good quality, produced on time and with adequate service back-up in spite of Chrysler's depleted dealer network.

Those, includin ga man from the U.S. Treasury's Chrysler se5tion, who ha vedriven K car prototypes are enthusiastic. But they have to acknowledge that this autumn, Ford, too, will be ready with its first front wheel drive small cars for the U.S. market and that GM will be extending its range in an increasingly congested sector.

Nor was there anything very precise in the Government's analysis about what will happen to imports. The widespread assumption is that they will be driven back by a rejuvenated Detroit. There are powerful arguments in support of this view—the Americans still possess unique economies of scale in their home market—but at the very least the importers are likely to survive in sufficient numbers to have a strong bearing on the price which Chrysler—and more important GM as the price leader—wil be able to charge for their small cars.

This is the reason why Mr. Iacocca was arguing so volubly t oCongress last autumn that Chrysler could not survive as a maker of only small cars. The margins were not big enough without help from more luxurious lines, he said. Although the U.S. appetite for small cars has grown much faster than Detroit expected, there is still some truth in Mr. Iacocca's now hastily abandoned argument and not a little political rather than industrial motivation in the Government's desire to see Chrysler survive only as a maker of fuel-efficient cars.

The fact is that the Government has made such a decision and it has apparently found enough leverage on Chrysler's bruised lenders to get them to go along with the plan. But even the banks which have agreed to try to give Chrysler a soft landing beyond 1983 when loan guarantees run out (by allowing the company to convert its accumulated backlog of interest payments into preferred equity holdings) have made a fairly ambitious sales rate for the K car a condition for doing so.

The other big worry about Chrysler is that under the glare of publicity on every move it has made in the last year it has shown no improvement in its ability to get its forecasts right. It has revised its loss forecasts twice this year and its reading of the market more often than that. Even now it says it will lose only $750m this year against a government estimate of $1bn.

The edifice is, to say the least, fragile. For the moment, all eyes are on the talkative Mr. Iacocca, who on Wednesday drove to the White House in one of the mini cars on which he hopes to rebuild Chrysler's future. There will be many more publicity coups where that one came from, but on balance it seems that it is only a matter of time before Mr. Iacocca or his successor is back at the White House asking for more.

MEN AND MATTERS

Mixing merry with politics

A simmering row between the Charities Commission and several of Britain's leading charities will be brought to a head at the weekend with a major BBC documentary on the politics of aid.

Timed to coincide with the end of Christian aid week, during which time around half a million charity workers aimed to raise more than £3m, it shows how charities like Christian Aid, Oxfam, and War on Want have been sucked into politics in their attempts to tackle the causes rather than the mere symptoms of poverty.

The powerful Charities Commission, critical of the "political" nature of some of the charities' activities, has warned that charitable status could be withdrawn—and, with it, crucial tax advantages — unless more controversial activities are dropped.

In this category would be aid to liberation movements like the SWAPO guerrillas in Namibia, support for trade unions and land reform campaigners in a number of Latin American countries, and involvement in the publication of documents on human rights issues. Oxfam has been advised to keep the word "change" out of its publicity material wherever it might have political connotations.

Many charity workers are convinced that aid is inherently political. The Revd. Kenneth David, who works for Christian Aid in Maharashtra in western India, says: "You can't avoid taking sides. If you are for combatting poverty then you are with the poor or with the status quo, supporting the ruling class.

"If you recognise that the slums (in Bombay) exist because of political and economic circumstances, then you have to tackle the political roots.

Marxist scenes

The spirits of Groucho and Karl seemed to be jockeying for position at the Warsaw Opera on Wednesday night, when luminaries of the Warsaw Pact sat stony-faced through 90 minutes of a military song and dance routine.

In the background, an enormous screen showed flashbacks of the glorious past. Joe Stalin himself strolled on a couple of times, but highlights of the Pact's fraternal activities in its own back garden were suppressed in deference to Hungarian and Czech sensibilities.

President Brezhnev, I am told, spent much of his time starting quizzically at Rumanian president Nicolae Ceausescu, who for 15 years has been unprepared to return the Soviet embrace in full. Ceaucescu kept his gaze studiously averted.

Finally getting into the spirit of the show, Brezhnev perked up when a lively coassack dance troupe appeared on the stage. And a catchy little number about the joys of conscription seemed to tickle the fancy of the assembled marshals and generals.

Revealing his salmon-pink credentials after the show, my informant introduced himself to Marshal Victor Kulikov, commander in chief of Pact forces. Sadly, he only had time to ask if any disarmament measures had been proposed before being firmly led away. "Nice to have met you," said Kulikov, waving to him.

Persistent Poles

I hear that the Church Commissioners have finally bowed to the curious set of circumstances surrounding the redundant Anglican church of St. John the Evangelist in Reading.

The original intention was for the demolition men to move in on the 150-year-old spire nearly two years ago. The vicar felt the church should be destroyed once his parishioners started attending a newly built church half a mile away. "We must have a clean break," he said at the time.

He was not to be swayed by a general brouhaha nor by the fact that the 1,200-strong Polish community offered £15,000 for the church, to be used for their traditional Catholic services in Polish. As things fall out, the Poles have won—though the price is now £30,000.

The spanner in the ecclesiastical works turned out to be the local Reading borough council, which refused permission for demolishing a boundary wall. "This placed us in an awkward position," admits Nigel Waring, a senior official of the Church Commissioners. "The only way to demolish St. John's was brick by brick. We came to the conclusion that we should after all look for another solution. The first in line were the Polish Catholics."

No grumble is to be forthcoming from vicar John McKechnie. "I above all wanted to maintain the parish as a going concern, and that meant making sure the cluster of emotions moved to the new parish church," McKechnie explains. He is satisfied that the emotional cluster has satisfactorily transferred itself.

Silver tongued

Wall Street is still nursing a severe hangover from the Great Silver Binge which left several venerable New York institutions a little shaky on their pins. In the circumstances, one might expect the main party-goers to keep their heads down until their antics are forgotten.

Not so. One firm, Conti Commodity, has been running a series of full-page advertisements in the Wall Street Journal offering what it calls "a review of some very basic yet very often violated rules for trading commodity futures."

The list of "crimes" is long and instructive, including greed, emotion, over-trading and "trying to carry too big a position with too little capital." The blurb concludes: "Alas, many commodity traders lose money for many of the same reasons."

Evidently Conti emerged from the silver market shake-down with cash enough to fund its publicity campaign. But it may be worth remarking that according to the Commodity Futures Trading Commission, Conti's parent had to inject $81m of additional paid-up capital into the firm at the end of March, as well as extend a $10m loan.

The CFTC tells me it was consistently concerned about the size of the foreign silver accounts carried at Conti, which included one for Naji Nahas, partner of the brothers Hunt.

Up to date

PHILIPS is employing a new marketing strategy for a new radio. The latest model, beautifully presented in an art deco walnut veneer cabinet, is a reproduction of the original model 634 introduced in 1933. With the choice of John Snagge as the promoter of this dignified pre-war memento one can only assume that Philips have discovered that being "simply years ahead" means going in for nostalgia.

Observer

POLITICS TODAY

The militants get into the act

MR. LEN MURRAY, the General Secretary of the TUC, is probably right: it will only be possible to make a proper judgment on Wednesday's Day of Action in about six months' time, or even later.

It depends which way you measure it. By all conventional standards, the protest was a flop. The turn-out was derisory, lower than anyone had expected the night before. Industry, by and large, went on working and public transport went on running. There were exceptions, to be sure: Fleet Street and Scotland, for example. But you do not redeem a bad production of Hamlet by giving a brilliant performance as the second grave-digger.

Yet there are other ways of looking at it. Mr. Murray now says that the TUC is "ahead of public opinion." It is true that there is an element of self-justification here. The purpose of the day of action has changed over time. The idea originally came from a resolution approved by the Trades Union Congress last summer. The date was fixed last December. Early this year, however, when the steel strike was under way and the Wales TUC was being particularly militant, the TUC in London came to see the day of action as an alternative to a general trike: something that would allow the labour movement to let off steam without going too far. In the event, the calls for a general strike died away and the TUC was left holding the baby.

Still, Mr. Murray can plausibly claim to have laid down a marker. If inflation and unemployment are still rising in six months' time, people may look back and say: "So that was what the TUC was on about. Maybe it wasn't so misguided after all." They may feel even more strongly if the same is true a year from today.

That, at any rate, is the theory. In practice, one suspects that Mr. Murray now hopes that nothing very much will happen until the annual congress in September. By that time, everyone will have had a chance to take stock. The Government will have come to its senses and have begun to revise its economic and industrial policies. The TUC will again be regarded as an acceptable social partner. In that case, there will be no need for further days of action.

Such an outcome seems to me to be exceedingly improbable, at least in the short-term. It is very unlikely that the Government will significantly change its ways in the next six months. The TUC will thus be obliged to consider further protests.

There is a warning here, both for the TUC and for the Government. This week's day of action may have been a flop, but it still took place on a sufficient scale to indicate what might be to come. For the TUC the danger is that it might lose control of the movement it has created. For the Government there has been a signal of the pressures that could be released if its economic policies fail to produce the desired results.

Two rallies that I attended may help illustrate the point. They were quite different in character, but their very differences are suggestive of the forces that might just be brought together under one banner.

The first took place on Shepherds Green, Hammersmith, an oasisof calm amid the high streets and the traffic. Small children continued to play cricket throughout. Large numbers of adults simply went on lying in the sun without taking the slightest bit of notice. The union that was most in evidence was the National Association of Local Government Officers (NALGO). There were never more than 300 people present at a time. Yet they did listen and what was most noticeable was the concentration on local issues: housing, the closing of hospitals and the possible break-up of the Inner London Education Authority (ILEA).

The audience was mostly young and in no way could be described as wild. When one particularly ranting speaker spoke of Mrs. Thatcher "opening the door to the horsemen of the apocalypse by unleashing nuclear warfare," the tendency was to laugh at him. But when people spoke of the closure of the West London Hospital, the reaction was much more sympathetic.

Of course, the militant groups were all represented. All the revolutionary journals were on sale: Militant, Socialist Worker and News Line, the daily newspaper of the Workers' Revolutionary Party. The meeting was being e xploited. But it was just possible to foresee a skillful bringing together of all those groups at present interested in single issue politics, such as abortion, into one broad protest movement should Mrs. Thatcher's policies go badly wrong.

If the meeting on Shepherds Green was a quaint, even slightly rustic affair, the rally at the Central Hall, Westminster was meant to be a much more organised occasion. It was also a more obvious flop. You do not bring Mr. Jack Jones out of his retirement and expect hm to be greeted by rows of empty seats. Not only was the attendance lower than had been hoped; there was also an outburst of fightng when a bunch of anarchists known as the Autonomists held up a banner proclaiming "all strikes should be political" and howled down Mr. Alex Kitson, the deputy general secretary of the Transport and General Workers' Union. The anarchists were bundled out. "We will not tolerate organised disruption," said the chairman of the meeting without the slightest trace of irony.

Yet there were other, more ominous signs. Those who follow the Labour Party will have noted with interest the presence of Mr. John Silkin, the shadow Industry Secretary and a possible future leader, on the platform. There was the blunt statement by Mr. Alan Fisher of the National Union of Public Employees (NUPE) that the unions cannot stand outside of politics. Not least, there was the curious assertion by Mr. Owen O'Brien of the print union, NATSOPA, that the unions could no longer rely on Labour MPs because they lacked a majority in the House of Commons; therefore they were obliged to rely on the traditional democratic methods of taking the protest to the streets. Mr. Jones was the soul of moderation by comparison.

Trevor Humphries

Fleet Street: an exception to Day of Action apathy

The lesson from the two meetings described is the same. It is that there are forces at work which go beyond the TUC. Mr. Murray may have thought that it would be possible to stage a day of action as a one-off event. But there will be others who will want to repeat it. It is too good an idea for those committed to militant politics to allow it to be simply dropped. And of course the TUC itself is all but committed to trying it again if the Government refuses to change its ways. It can hardly turn down demands for more of the action which it has itself initiated if inflation and unemployment do go on rising as Mr. Murray predicts. But it may find that it has ceased to be the leader.

How far the protest movement develops will depend on the progress of the Government's policies. It cannot be said that the economic news this week—the publication of the retail price index for April, due today, and the index of average earnings for March, both showing annual rises of over 20 per cent—will be all that encouraging.

Some oGvernment Ministers have taken to quoting an odd comparison of opinion polls. At the end of the Heath Government's first year in office, it is said, the Conservatives were 16 points behind Labour in the popularity charts. Mrs. Thatcher's Government at the end of a comparable period is only three or four points behind. Hence, for example, the relative failure of the day of action, and indeed the rise in earnings over the past year must go a long way to explain the lack of popular discontent. tI is not surprising that people are reluctant to take to the streets if their earnings have been keeping pace with inflation.

Yet it is very hard for the Government to take any comfort from these figures. What they suggest is that the real unpopularity is still to come. The cuts that everyone has been talking about have not yet begun to bite. Unemployment has only recently begun to rise sharply. There has been no appreciable fall in living standards. The "three years of unparalleled austerity" once promised by Mr. John Biffen, the Chief Secretary to the Treasury, have not even started.

Clearly it is the rise in earnings that concerns the Government most. It is making nonsense of the insistence that the country must live within its means and take a fall in living standards in order to prepare for growth without inflation. But there is no sign of any abatement. In effect, this year's wages round has been decisively lost. A year is a long time to lose in the life of a government. It means that Mrs. Thatcher will have to start all over again preaching the message of voluntary restraint when the next wages round begins in September. In the meantime, one cannot escape the conclusion that most people have been going on much as before, finding compensation for inflation in higher pay packets.

Perhaps rising unemployment and monetary policy will do the trick in the end. Certainly there are no suggestions so far that the Government is ready to resort to an incomes policy. But it is the pay explosion that must now be the No. 1 priority. If voluntary restraint is to be the answer, there could be a good deal more exhortation and a better example in the public sector and rather less self-congratulation on the first year in office.

The increase in unemployment appears unavoidable and the cuts in public spending will make themselves felt in time. But if there is little or no let-up in inflation, the Government will have nothing to show for it. In that case, it is just possible that we shall look back on the events of May 14, 1980 as the beginning of a new kind of political protest. If I were a Government Minister, I should be distinctly concerned about not being sufficiently unpopular in 1980. It suggests that the real trouble lies ahead.

Malcolm Rutherford

Letters to the Editor

U.S. interest rates dive

From Mr. R. Wilkinson

Sir,—I am surprised that Samuel Brittan is mystified (May 15) by the dive in U.S. interest rates. The one sure thing about the dive is the dive itself, not that it was unexpected by any forecaster. Given his and Anthony Harris' recent comments on the accuracy of forecasting, he ought not to be surprised at the lack of a forecast on this particular issue.

To an outside observer, supply and demand for credit at prime rates of 20 perc ent might just have something to do with the fall in rates. At that level, collateral is called and often found wanting. If it can happen to Mr. Bunker Hunt, is it really surprising that credit is being flushed out of the system?

R. P. Wilkinson.
Carr Sebag and Co.
Ocean House,
Little Trinity Lane, EC4.

Action and reaction

From Mr. F. Whitehouse

Sir,—Mrs. Thatcher will make the mistake of her life is she sees the half-hearted response to the TUC's day of action as proof that she is fast winning thehearts and minds of ordinary working people.

She is entitled to rejoice that echoes of her political sentiments can now be heard in the innermost recesses of working men's clubs, pubs and house gatherings where until recently the least whiff of Toryism had no place.

But she mustn't read into that that she is no longer regarded as an enemy on the pay front, or that these labour back-sliders are ready to adopt her as Britain's saviour.

Her appeal for them is that she believes in free collective bargaining—in which they think they can hold their own—and in weeding out Whitehall bureaucrats—which for them means getting rid of useless top brass. Anything else is a flirtation with new leaders because they are out of tune with their traditional ones. They are not so much for Mrs. Thatcher as against Labour and TUC leaders who they believe played them false.

The Tory leader may think it pays her to foment bitter differences between the working rank and file and their old-time leaders—and between them she and her ministers have made a pretty good job of mocking the TUC, as though their policy were to divide and conquer. But it's not a foregone conclusion that growing numbers of workers can be induced to leave or ignore the TUC. You can sense when among them that the breach is only temporary and that the people who keep them apart won't be loved when the old allies kiss and make up again.

It is so easily overlooked that the determination among workers not to accept a reduced standard of living is stronger than ever, and that there is in readiness to be rougher and tougher than ever before in pursuit of wage claims. Leaning a little more politically than they did towards Maggie doesn't mean that they will fight any less fiercely for better pay and increased job security. And it's when the gloves are off on these issues that she will have cause to wonder whether, after all, talking to the TUC is the dead loss she has tried to make out.

It may be her belief that a fragmented army of demanding workers with no central coordination is a softer touch than one fighting under the TUC umbrella. But neither our own history nor that on the Continent supports that view.

Over the years the TUC, or its equivalent has been a friend to Governments of all hues, and the wonder is whether she genuinely doesn't give a damn whether it lives or dies or is simply unable to cope with its existence. For which, later, we shall have to pay.

She can't really want bands of wreckers doing their best to get their own way, but it's what she might easily land into if she insists on making the TUC so unpalatable to the ordinary man that he makes his own workplace his battleground with no holds barred, and recognising no voice that would have him have a care for his fellow workmen—which is essentially the function of hte TUC.

F. Whitehouse.
135, Ecclesfield Road,
Chapeltown, Sheffield, Yorks.

British head searching

From the Member of Greater London Council for Hendon North

Sir,—Michael Dixon's article "The unacceptable mask of executive search" (May 13), summarised accurately the misgivings which many people have about the recruitment of Mr. MacGregor to head British Steel Corporation.

There is another point which concerns people. Why is it that so often senior appointments in the nationalised industries are entrusted to American executive searchers? Do the civil servants responsible believe that there are no good British "head-hunters?"

Had the task of recruiting a new head for British Steel Corporation been entrusted to a British firm I venture to suggest that it would have been more delicately handled and the outcome would not have caused such public misgiving.

Is this a case where the Government itself should set a good example by "buying British" both in terms of the "head-hunters" and the head eventually hunted?

Bryan Cassidy.
Members' Lobby.
County Hall, SE1.

Investing abroad

From Mr. D. Grimes.

Sir, — By investing abroad, self-administered pension funds seek risk reduction and possibly an improvement on annual returns over those which can be achieved in the UK stock market (Lex, May 12).

Two avenues seem to be open to such funds: direct investment abroad by buying in foreign stock markets, or indirect investment by purchasing in London stocks of multinational companies, in particular UK companies which are heavily involved abroad. Some recent American research has tested whether the U.S. stock market recognises the higher degree of diversification of multinational companies. It was found that the risk of annual returns of such companies was only 10 per cent less than the average risk of returns of individual stocks in the U.S. stock market as a whole.

This marginal reduction of risk does not compare favourably with a risk reduction of more than 50 per cent which can be achieved when overseas shares are assembled in accordance with one of the more scientific (and by now quite standard) ways of international index matching. Incidentally, similar strategies brought about a significant increase in annual returns over those obtainable by exclusive investment in the U.S.

Management costs arising from international indexing are minimal when compared with the more conventional methods of management of equity portfolios and it is certainly not more difficult to keep track of investments on the other side of the world. Increasing amounts of American pension money are now flowing into this kind of investment portfolio.

It should be remembered, however, that while national stock markets are quite efficient within themselves (in the sense that profitable switching between stocks is difficult) research has shown that world markets are more segmented or isolated from one another. This has immediate consequences on the structuring of an international portfolio across countries. Depending on the comovements of national stock markets, the weightings with which countries are represented in the portfolio can be changed to achieve improvements of returns and risk reductions.

D. H. Girmes.
Department of Statistical Science, University College,
Gower Street, WC1.

An increase in dues

From Professor D. Myddelton.

Sir,—The English Institute of Chartered Accountants claims that its proposed 15 per cent increase in members' subscriptions "is necessary almost entirely on the grounds of inflation." But it is hardly satisfactory for a professional accounting body to advance this reason when accounts themselves do not allow for inflation.

Some innocent readers may suppose that this long-standing complaint can no longer be true, now that the inflation accounting steering group's efforts have at last led to a statement of standard accounting practice. But the IASG was not asked to develop a system of inflation accounting: it was merely instructed to find a way of implementing the current cost accounting proposals of the 1975 Sandilands Report.

Unfortunately, as para. 33 of SSAP 16 very honestly admits, "CCA does not measure the effects of changes in the general value of money . . . it is not a system of accounting for general inflation." The need for some system of accounting for inflation arises from the undisputed existence of inflation, yet CCA is not a system of accounting for inflation.

Until the English Institute does propose a genuine system of inflation accounting, members should vote against any proposal to increase subscriptions "on the grounds of inflation." Admittedly such a vote might be ignored, like the motion passed in 1977 saying that members of the English Institute "do not wish any system of current cost accounting to be made compulsory."

Thank goodness the passing of time seems to be more regular than the value of the pound. Otherwise, according to my calculations, the Institute would now be celebrating its Centenary in the midle of its fifth year of existence.

D. R. Myddelton (Professor).
Cranfield School of Management,
Cranfield, Bedford.

Breakfast TV

From Dr. S. Castell

Sir,—John Chittock ("Hopes for Industry on Channel Four," May 13) has hit at last on a most interesting application of "breakfast TV" (for which it is most gratifying to see eight potential franchise bidders) in his airing of the "sponsored film" idea.

I have already drawn attention to the somewhat paradoxical situation with the acceptance in the market of the PO's Prestel and other viewdata "user-friendly" TV-set-accessed computer-based information systems: because of cost, Prestel is more likely to be initially acceptable to the business, rather than residential, sector—but, on the other hand, people are far more used to the TV set in homes than in business offices. And one reason for this is the absence of relevant TV programmes in business hours.

Part of the "added value" of viewdata systems is generally that the computer terminal, a colour TV set, is capable of receiving such broadcast TV programmes. It seems therefore an obvious development for the fourth TV channel to anticipate a business, Prestel-fuelled, market-place for reception of TV programmes in offices, in business hours. Ergo, sponsored films and similar ideas could well become the meat of "business TV," and I sincerely hope that whoever wins the breakfast-TV franchise gives some serious thought to such a development. To paraphrase John Chittock, business TV could perhaps be a rare and sustained occurrence of TV programming meeting a genuine and practical (business) public need, through the medium of ready availability of Prestel TV-set terminals on business premises.

Dr. Stephen Castell.
"Furlongs,"
Grange Road,
Wickham Bishops,
Witham, Essex.

Education in London

From Mr. K. Baker MP

Sir,—I have read with interest the correspondence in your columns over my report to Mark Carlisle that Inner London Education Authority should be dismantled and responsibility for education returned to the individual London boroughs or to groupings of the boroughs.

ILEA, not unnaturally, has responded vigorously but the vigour of its attacks should not disguise the paucity of its arguments or the reliability of its statistics. My report was attacked for making unfair comparisons about ILEA's educational performance. A comparison of the 1977 examination results (why does it take ILEA so long to publish its results and when are we going to have figures for individual classes?), show that I was somewhat modest in my comments. At CSE and O levels, ILEA is well below the national average although it does better at "A" levels. It would appear, however, that ILEA in 1977 recorded O and A levels gained at colleges of further education as well as at schools, and these are not combined in the national results. The effect of this is to show the already poor results of ILEA in a better light.

One figure that ILEA cannot fudge, is the number of children that leave school without any grade in CSE or O examinations. In 1977 25 per cent of the children in ILEA left with no gradings which was worse than Manchester, Liverpool, Birmingham, Sheffield and Newcastle . Of all the major cities, Bradford was worse than ILEA.

ILEA denied that there would be any administrative savings and forecast considerable extra cost. ILEA is already organised into 10 divisions and so the framework for separate authorities exists. Wandsworth Borough Council have now revealed that the cost of administration and inspection in ILEA in 1978-79 wa sabout £25m for some 362,000 pupils—the same costs in outer London amounted to about £27m for some 760,000 pupils. This would seem to indicate that there is considerable scope for administrative savings.

ILEA took me to task for the pupil projections in my report. We used the same figures as in the Marshall Report, namely, the estimated children and students in the age range 5-19 in 1986. ILEA responded by forecasting only school rolls for that year, but clearly one should take the whole range of education services which an authority has to provide. Moreover, to forecast such low school rolls has an element of despair in it, since ILEA seems to accept that some children, particularly at primary level, will be going to private schools. I suspect too that demographically, the ILEA forecast is too gloomy. I took a range of 21,000 to 21,900 in Camden in 1986, and the latest Greater London Council forecast is 22,700 to 23,200 because the birth rate is beginning to go up again.

I appreciate that those who run ILEA feel that they are under siege, and are fighting, if not for their lives, certainly for their careers. But even so, they should not sek to mislead others with such a cavalier treatment of statistics.

The position now is that Mark Carlisle has appointed an interdepartmental committee to examine local government arrangements for supervision, administration and finacing of education in inner London. I hope that this committee will report soon. A solution which I favour is to allow those London boroughs that want to secede to do so. Clearly such a decision should not be reversed for 10 years to prevent the yo-yo effect of political change. But I have no doubt that once a borough has left, it would not want to rejoin ILEA. No outer London borough, including those controlled by socialists, would want to surrender its control over its local education. How right they are. Education, like all other local services, should be controlled by local councillors representing the interests of the ratepayers, electors and parents who elect them.

Kenneth Baker.
House of Commons, S.W.1.

Today's Events

UK: Mr. Wm. Whitelaw, Home Secretary, speaks at Wethersfield, Essex.

Mr. Michael Heseltine, Environment Secretary, speaks at Swansea.

Mr. Patrick Jenkin, Social Services Secretary, speaks at Hadleigh, Essex.

Labour Party Wales conference, Swansea (to May 17).

Overseas: Senator Edmund Muskie, U.S. Secretary of State, meets Mr. Andrei Gromyko, Soviet Foreign Ministers, at 25th anniversary of Austrian state treaty, Vienna.

Mr. Norman Lamont, Energy Parliamentary Secretary, speaks at alternative sources of energy conference, Montreaux.

Herr Helmut Schmidt, West German Chancellor, in Rome.

House of Commons: Debate on motion to take note of the BL 1980 Corporate Plan.

House of Lords: Transport Bill, committee stage.

OFFICIAL STATISTICS

Retail prices index for April. Tax and price index for April. Balance of payments current account and overseas trade figures (April).

COMPANY MEETINGS

Conder International, Guildhall, Winchester 3. Desoutter Bros., Hendon Hall Hotel, Parson Street, NW, 12. FC Finance, Great Eastern Hotel, Bishopsgate, EC, 12.30. Arthur Henriques, Midland Hotel, Manchester, 12. William Jack, Pennyhill Park Hotel, Bagshot, 11.30. Thomas Jordan, 28-32 Frances Road, Windsor, 12. Reed Executive, Castle Hotel, High Street, Windsor, 12. Henry Sykes, 445 Woolwich Road, Charlton, SE, 12. Thomas Tilling, 21 Tothill Street, SW, 12.

Newman Industries dives to £0.4m and omits final

A SECOND half which brought losses of £1.92m and proved one of the most difficult periods it has experienced left Newman Industries well down at the end of 1979, with pre-tax profits of £378,000 compared with £6.22m.

The final dividend is omitted, and the 1.5p midway payment represents the year's total—the effective total for 1978 was 4.8p.

Management accounts for the first quarter of 1980 show a return to profitability and to steadily improving monthly performance, say the directors. If this is maintained, they will consider paying an interim dividend for the current year.

Profitability was reduced a number of factors. The engineering strike affected the electric motor, engineering products and Avdel divisions and cost an estimated £1m.

A trading recession produced losses of £1.13m (£0.99m profit) in the ceramics side, and a reduction in profits of the electric motors division from £1.61m to £0.18m. One ceramics factory was closed and altogether the workforce in these two divisions was cut by more than 800.

Interest charges rose to £3.59m (£2.24m) and the strength of sterling affected exports, which fell from £26.12m to £21.9m. And it cannot be overlooked, say the directors, that considerable management and administration time was elost over the court action by the Prudential Assurance Company.

Group turnover was virtually static at £70.23m (£70.8m) and trading profit was £6.74m (£10.49m) including ACT deemed to be irrecoverable of £1.11m, and there is an extraordinary debit of £1.82m (£0.28m). The latter includes redundancy and closure costs of £858,000, external costs relating to the Prudential legal action of £146,000 and a provision of £812,000 against the value of overseas investments.

After exchange losses of £213,000 (£152,000) and investment adjustments of £33,000 (£1.45m), the attributable loss emerges at £3.39m (£2.72m profit). Dividends absorb £763,000 (£868,000).

The stated loss per 25p share is 7.2p, against earnings of 16.5p.

The Avdel division remains strong, say the directors. The engineering products side felt the effects of the reduction in sales to Africa but is in good shape to obtain orders and expand its profitability.

Mr. Alan Bartlett, the chairman of Newman until his dismissal in February after a High Court action brought by Prudential Assurance, has told shareholders that he intends to take action for wrongful dismissal.

"The allegation made by the Prudential," Mr. Bartlett reminds shareholders, "was in essence that I had, with others, conspired in 1975 to procure a transaction with Thomas Poole and Gladstone China which benefited me rather than Newman Industries."

"Those who have held their shares that long," Mr. Bartlett writes, "will know that the company's growth was based on that transaction. It has proved highly beneficial to the company."

He said that he was not in a position to comment on the results for 1979 "except that they must be viewed against a background of a very difficult economic environment and the legal action initiated by the Prudential which was in court from mid-June to mid-December of that year and required substantial administrative support. In short, however, Newman under my leadership grew from a one-product company to a group of internationally recognised businesses."

● comment

Newman Industries' High Court action has diverted attention from a dramatic decline in many of its principal businesses. It could be said that events above the line were foreseeable—the engineering strike, high interest rates and overseas margin contraction have certainly taken their toll—and it looks as though a new broom has also been sweeping below the line. The cut in the Nigerian stake, for example, was reported at this point last year but the devaluation of these assets accounts for much of the overseas provision this year.

The caretaker board has reacted to the severity of conditions in three of the four major divisions. Reduncancies have brought electric motors onto an even keel but the closure of one pottery has yet to stem losses in ceramics which are expected to persist throughout 1980. Two small engineering product disposals will be announced this summer to cut gearing, now at about 1:1, by some £2.5m. The accounts will provide a better picture of Newman's outlook but the programme of disposal and retrenchment will probably continue and the shares, down 9p to a new annual low of 42p, are set to remain in limbo for some time. The interim dividend yields 5.1 per cent.

HIGHLIGHTS

The Lex column takes a look at two very large bids for U.S. companies by UK groups. **Grand Metropolitan** has dug deeper into its bankers' pockets to try and force through an enlarged bid for **Liggett**, and **Imperial Group** has finally decided to go ahead with its long-standing bid for **Howard Johnson**. At home two major groups with shipping and property connections have reported. **European Ferries** has pushed slightly ahead for the full year, but yesterday's share price gain owes more to thoughts on its property deals than the actual figures. **Trafalgar House** produces better half-year figures, mainly due to a reduction in losses from shipping, aviation and hotels, and is confident for the full year. Lex also analyses some confusing monetary figures which show modest growth in the money supply, but the biggest ever *monthly surge in bank lending.*

Advance by United Engineering

FOLLOWING THE first-half rise from £0.68m to £1.03m, taxable profits of United Engineering Industries reached £2.31m for the year ended January 31, 1980, compared with £1.53m. Turnover of this maker of heating systems, TV cameras and electronic equipment, advanced from £9.97m to £13.38m.

The results do not include any contribution from Cosworth Engineering, which was acquired after the year-end.

After tax up from £391,423 to £637,203, earnings per 10p share rose to 10.1p (adjusted 7.7p). A final dividend of 2.3p effectively lifts the net total from 2.4333p to 3.65p per share, costing £608,401 (£356,933).

Rivington Reed calls in receiver

Rivington Reed, the ailing textile company in which financial Mr. Graham Ferguson Lacey has a large stake, has finally called in the Receivers after continued heavy losses, particularly on the carpet side.

But the company's profitable filament division will continue to trade and no Receiver has been appointed to the companies in this area, William Reed Weaving, William Reed Fabrics and Century Dyeing Company.

At the Reed board's request, Midland Bank has appointed Mr. William Mackey and Mr. J. Warren of Ernst Whinney as receivers and managers. Rivington Reed's last published results, for the six months to September 29, showed pre-tax losses of £516,000 against a previous profit of £207,000.

The company said yesterday that the increasing severity of the recession had made it impossible to reduce the losses, with high interest rates proving a further burden.

Through his company, Birmingham and Midland Counties Trust, Mr. Ferguson Lacey owns just over 28 per cent of Reed's shares, which were suspended at 13p on Wednesday pending yesterday's announcement.

The BMCT interest rose to this level in January after the purchase of 500,000 Reed shares from Dr. John Blackburn, the former chief executive of Carrington Viyella and Vantona who left Reed late last year.

Mr. Ferguson Lacey had brought Dr. Blackburn into Reed around two years ago, but it was announced in mid-December that he had been "released from his contract" as cief executive.

Last July, the company closed its carpet factory in Bolton with the loss of some 160 jobs. A further 500 jobs are involved in the companies now coming under receivership.

Baggeridge

Taxable profits of Baggeridge Brick Co. moved up from £217,000 to £276,000 for the half year to March 31, 1980, on turnover of £2.88m compared with £1.95m.

Tax charge was down from £113,000 to £64,000 and net profits rose by £108,000 to £212,000. Earnings per 25p share were ahead at 5.3p (2.6p) but the interim dividend is kept at 1.25p net—the 1978-79 final was

Midterm pick up by Trafalgar

FIRST HALF pre-tax profits of Trafalgar House have picked up from a depressed £16.32m to £19.34m, mainly due to a sharply reduced loss of £1.63m, against £6.45m, from shipping, aviation and hotels.

Describing the overall result as satisfactory, Mr. Nigel Broackes, chairman, says the outlook is encouraging. The interim dividend is stepped up from 2.11p to 2.5p net and it is the present intention to recommend a similar amount for the final payment. Last year a total dividend of 4.61p was paid when profits declined from £57.42m to £41.72m.

In resolving the dividend increase the directors have had regard to the realities as well as the requirements of inflation accounting. "For the time being the group's liability to pay corporation tax in less than the Board provides and there is no reason why shareholders should not benefit from the group's prospective ability to continue to make progressive increases in dividend," says the chairman.

Tax and tax equalisation account took £6.77m (£5.71m) for the six months to March 31, 1980, and after minorities of £413,000 (£345,000) net revenue turned in at £12.16m (£10.26m). Excluding extraordinary debits of £2.72m (£173,000), earnings per 20p share are giving at 5.1p (4.2p)—including such items they totalled 3.9p (4.2p).

Comparative figures have been adjusted to reflect the change of basis on which interest is charged to trading activities, adopted in the September, 1979, accounts.

An analysis of pre-tax profits shows (£000s omitted): property £5,365 (£8,965); investment activities £479 (£464); construction, including housing £10,684 (£11,054); shipping, aviation and hotels £1,632 (£6,450) loss; newspapers and magazines £3,948 (£2,286). The shipping, aviation and hotels figures include profits of £1.32m (£0.56m) on ship sales.

Mr. Broackes reports that the aftermath of last autumn's engineers' dispute and minor repercussions from the steel industry's winter troubles both left their mark on half-year results.

Property development prospers and activity continues at a high rate. Construction including housebuilding figures are restrained by cutbacks in UK public spending, but otherwise the group's experience at home and overseas is satisfactory.

He states that shipping, aviation and hotels presents a number of contrasts—cargo interests (with the exception of refrigerated fruit carriers) are now back in profit; the QE2 has overcome the latest pressure from increasing oil prices by an excellent passenger response and improved manning procedures; and the group's hotels have suffered from the change in tourist flows to this country.

Continuing aviation interests show promise but the industry is in poor shape and the 35 per cent interest in British Cargo Airlines, now in receivership, has been written off. This last point accounts for most of the half-year's £2.7m extraordinary debit.

Good progress is being maintained by the group's newspapers and magazines, and they seem likely to show an improvement over last year's levels of profitability, the chairman states.

Lex, Back Page

European Ferries recovers in second half

AS FORECAST at midway, when a downturn from £8.5m to £6.7m was reported, pre-tax profits of European Ferries, shipowner, showed an improvement for 1979. The full-year figure turned in £1.13m higher at £27m.

Turnover for the 12 months increased from £151.98m to £170.74m and trading profits advanced from £25.85m to £26.95m. The share of associate profits totalled £55,000 (£23,000). Tax took £1.5m (£1.62m), leaving net profits ahead from £24.25m to £25.5m.

The net final dividend is 3p, raising the total payment from 3.107273p to 4.5p on earnings of 23.2p (22.7p) per 25p share.

There were minority profits of £954,000 (£295,000); extraordinary profits of £3.36m (£2.19m loss) on foreign currency loans, and dividends cost £4.76m (£3.29m).

Lex, Back Page

British-Borneo advances

INCLUDING SPECIAL dividends of £627,173, pre-tax profits of the British-Borneo Petroleum Syndicate rose from £821,282 to £1.59m in the year ended March 31, 1980.

The surplus includes net profits on the realisation of investments, short-term interest and other income of £471,532 (£444,029) and is struck after expenses of £101,701 (£70,191) and Eurocurrency loan interest of £41,025 (£82,868).

A final dividend of 6.25p lifts the total to 16.75p (7.53p) including a special payment of 7.25p.

After tax of £569,304 (£321,231) and the £753,750 (£338,805) absorbed by dividends, there is a retained surplus of £270,731 (£161,246).

Earnings per 10p share are shown as 22.8p (11.1p) or 13p excluding the special dividends received.

At the balance date, this investment holding and dealing company had net current liabilities of £408,725 (£265,596) and the stock exchange value of its listed investments was £11.84m (£11.71m).

Associated Paper slumps

ESCALATING LOSSES at Vale Board Mill, which was closed down on May 9, hit the first half performance of Associated Paper Industries.

Pre-tax profit for the half to March 29, 1980, was down to £256,000 (£873,000)—continuing operations showed a profit of £968,000 (£1.07m) while Vale Board Mills lost £712,000 (£193,000 loss). Combined turnover was £24.09m (£22.06m).

There was no tax charge (£125,000) and retained profits emerge at £73,000 (£565,000).

The Board says that despite strenuous efforts to save Vale Board, it became clear that there was no prospect of it operating at a profit.

Despite difficult trading conditions, continuing operations showed only a small decline against the first half last year, notwithstanding the effect of high interest rates. Consequently the interim dividend is being maintained at 1.21p. Last year a total of 3.65p was paid from profits of £2.1m.

Shareholders' funds at September 29, 1979, are given as £13.4m. The impact of the Vale Board closure is thought unlikely to exceed £2.5m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc. Paper ......int.	1.21	July 10	1.21	—	3.65
Baggeridge Brick ...int.	1.25	August 6	1.25	—	3.75
Brit-Borneo Petroleum...	6.25	July 10	5.02	16.75§	7.53
Carless Capel	1.7	July 22	0.62	2.5	1.03
Cater Ryder	16.71	July 3	14.78	21	19.08‖
Doranakande Rubber ...	2.00	—	1.7	2.75	2.25
European Ferries	3	—	1.98	4.5	3.11
John Folkes Hefo	1.26	August 7	1.14	1.76	1.58
Foster Bros.	2.19	July 18	1.72*	3.2	2.5*
John Foster & Son	0.5	July 9	1.5	1.5	2.5
Holt Lloyd	5	July 31	4.25	9.5	7.75
Hunting Associated	2.5	—	1.44	5	2.44
Industrial & Gen. Tst. ...	1.85	June 20	1.45	2.75	2.15
Kwik-Fit (Tyres)	0.74	—	0.52	1.34	0.92
Lee Cooper	2.25	July 7	1.4*	3.65	2.23*
William Leech...2nd int.	3.3	July 20	3.64	—¶	6.64
Lloyds & Scottish ...int.	1.87	August 1	1.87	—	5.27
Newman Ind.	Nil	—	3.6*	1.5	4.8*
Prince of Wales Hotels	0.97	July 18	0.65	1.72	1.15
Sungei Bahru ......int.	0.75	June 24	0.65	—	2.25
Trafalgar House ......int.	2.5	July 14	2.11	—‡	4.61
United Engineering	2.3	July 10	1.53*	3.65	2.43*
Warner Estate ......int.	3**	July 2	1.6	—	5
Whitbread Inv.	3.52	July 25	2.9	5.5	4.55

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ 5p total forecast. § Including special dividend of 7.25p. ¶ Making 6.6p to date in current 18 months accounting period. ‖ Including supplementary final of 0.19497p. ** Partly reduces disparity.

Holt Lloyd moves ahead by 43% to top £5m mark

AGAINST A background of higher interest rates and adverse currency movements caused by the strength of sterling, Holt Lloyd International, maker of car-care products, increased pre-tax profits by 43 per cent to £5.03m for the 53 weeks ended March 1, 1980, compared with £3.51m for the previous 52 weeks. Group sales rose by 42 per cent from £35.15m to £50.03m.

As anticipated, a significant proportion of the growth came from acquisitions, while increases of 2 per cent in sales and profits from other group operations were also achieved.

First-half profits were up from £1.96m to £2.68m.

Yearly earnings per 10p share are stated up from an adjusted 18.2p to 30.94p, and from 14.7p to 21.55p assuming full deferred tax accounting. A final dividend of 5p makes a total payment of increased capital of 9.5p (7.745p) net, which compares with a forecast of at least 9p per share made last June with the £2.99m rights issue. A two-for-one scrip issue is also proposed.

Mr. Tom Heywood, the chairman, says it remains to be seen how consumers behave during the peak summer off-take period, but at present the group is continuing to budget for further growth in all its markets, at home and overseas.

Trading profits climbed 58 per cent to £5.63m for 1978-79. Interest charge surged from £51,000 to £602,000, due mainly to finance costs associated with the acquisitions of LPS Research Laboratories Inc. in the U.S. and Pro-Combur S.A. in France. There was an associate's profit share of £39,000 this time.

Tax charge was down from £1.61m to £1.26m, but minorities at £212,000 (£15,000) are now significant following the acquisition of a majority share in Pro-Combur.

There was an extraordinary credit of £159,000 (nil) comprising realised exchange gains. Dividend cost was up from £779,000 to £1.14m and retained profits emerged at £2.58m (£1.1m).

Currently 42 per cent of the group's car-care business originates overseas, compared with 30 per cent four years ago and the chairman expects this proportion to increase.

In the UK, the group's largest subsidiary, Holt Lloyd, maintained its position in an expanding market. Sales and profits were 27 per cent higher at £27.4m and £3.3m respectively. Overseas sales were £19.6m (£10.9m) while trading profits increased from £1.02m to £2.32m.

● comment

Holt Lloyd has capped the four year post-merger programme with a 43 per cent annual advance and a share price rise of 17p yesterday to 239p. Acquisitions, notably Pro-Combur in France and LPS in the U.S., probably account for around half the overall improvement but, after a significant rise in interest charges, it seems that the current year will be one of consolidation rather than of major new purchases. Trading prospects in most of the group's major markets suggests that working capital requirements will remain high. While the underlying level of consumer demand is set to remain buoyant, many wholesale and retail customers have started to de-stock. Production, which had been geared to peak throughput following the decision to build inventories at the year end, may now have to be curtailed and recent growth rates may be hard to repeat in the short term. Yet whether or not Holt will be forced to finance expansion through its own, rather than customers' stocks, there is no immediate reason to sell the shares at these levels. Profits, thus far, have been immune to the fluctuations of new vehicle sales and there should be a good deal to come through from product harmonisatino in the new operating areas The increased dividend, comfortably covered twice by current cost earnings, yields a satisfactory 5.6 per cent and the fully taxed p/e of 12.9 already accounts for the full impact of the group's drive to boost overseas earnings.

Property sales help Foster Brothers Clothing to £10.7m

AFFECTED by the rise in VAT and poor Christmas sales, trading profit last year of the Foster Brothers Clothing Company was lower than planned, at £10.52m (£9.44m). After a surplus on the sale of properties of £190,000 (£347,000), total pre-tax profits for the year to February, 1980, were £10.71m (£9.78m).

Tax took £4.77m (£4.14m) leaving attributable profits of £5.95m (£5.64m). The adoption of SSAP 15 reduced the taxation charge by £815,000 (£739,000).

The directors say the clothing companies had a satisfactory, if not exciting year, but losses were experienced in the cosmetics division because of competitors' price-cutting. Group sales for the first nine weeks, however, are up 15 per cent, and a satisfactory year is expected.

The net total dividend is lifted from an adjusted 2.5p to 3.1875p, with a final of 2.1875p. Earnings per 25p share are given as 12.9p (12.6p).

● comment

Foster Brothers managed to improve its second-half margins slightly and so came through with a nearly 9.4 per cent pre-tax profit increase over a very strong previous year. The shares were unchanged at 88p. The company seems once again to be having trouble with an acquisition, this time its cosmetics business tumbled into £0.4m of losses last year. Also, like most retailers, Foster Brothers would be more than pleased this year merely to match last year's profits. Understandably, the yield of 5.3 per cent and the fully taxed p/e of 7.7 are expecting very little.

Warner Est.

PRE-TAX profits of Warner Estate Holdings, property investment group, improved from £553,800 to £759,631 in the half-year to March 31, 1980. Turnover was up from £2.61 mto £3.38m.

After tax up from £288,991 to £388,000, stated earnings per 25p share are 3.16p against 2.63p, and the interim dividend is increased from 1.6p to 3p. The increase is partly to reduce disparity. Last year's total was 5p from pre-tax profits of £1.22m (£1m).

The net proceeds of sale of houses and flats amounted to approximately £940,000.

Lee Cooper climbs 41% to more than £9.2m

REPORTING a 41 per cent increase in full-time pre-tax profits, the Lee Cooper Group, manufacturer of jeans and casual wear, says its expansion programme is continuing as planned, despite the worldwide trade recession.

Profits for 1979 rose to £9.21m (£6.5m), on turnover up by 23 per cent at £69.96m (£56.84m).

Tax took £4.13m (£3.09m) and after an extraordinary loss of £880,760 (£676,450 gain) and minorities the attributable balance was £4m (£3.9m).

A final dividend of 2.25p (adjusted 1.4p) is recommended, taking the total for the year to 3.65p (adjusted 2.23p). Earnings per 25p share are shown at 41.9p (27.7p).

The directors are proposing a scrip issue of one for three.

York Trailer slips further into loss in first quarter

AN INCREASED first-quarter loss by York Trailer Holdings is attributed by the directors to the depression in the commercial vehicle industry.

For the three months to March 31, 1980, the group reports a pre-tax loss of £190,000 (£80,000 loss) on turnover up to £11.31m (£8.55m). There was again no tax charge and after minorities of £25,000 (nil) the attributable loss is £165,000 (£80,000 loss).

The total dividend paid in 1979 was 1.973p, on pre-tax profits of £695,000.

Mr. Fred W. Davies, chairman, says most of the losses occurred at Anthony Carrimore in Co. Durham where drastic pruning, although costly in terms of redundancy pay, has now cut the company to a size at which any up-turn in trade will yield a satisfactory profit.

In the U.S. the subsidiary manufacturing hydraulic hoists suffered a substantial loss, due primarily to the long International Harvester strike. This has now been settled.

All companies within the group worked below capacity throughout the first quarter, and Mr. F. Davies, the chairman, sees little hope of an improvement before the middle of this year.

Whatever the theoretical effects on the long-term health of Britain's economy, he says, the present Government-induced depression means that 1980 will be a meagre profit year—and for some, even a survival year.

Industrial & General Trust over £6.6m

Net revenue of the Industrial and General Trust showed a substantial improvement in the year to March 31, 1980, rising from £4.74m to £6.62m after tax of £3.19m against £2.65m. At the half-way stage, net revenue was £2.99m against £2.4m. The year's tax chafge includes foreign withholding taxes of £285,809 compared with £249,330.

Stated earnings per 25p share are 3.08p (2.21p) and 2.74p (2.21p) excluding special dividends. The final dividend is up from 1.45p to 1.85p, making the total 2.75p (2.15p).

Net assets stand at £187.97m (£204.24m) and the net asset value per share is 79.1p (84.4).

Gross income for the year moved ahead from £9.66m to £11.87m.

Barclays American down

Profits before tax of Barclays American Corporation tumbled from U.S.$7.67m to $2.07m for the three months to March 31, 1980.

Tax decreased from $3.37m to $0.86m and after includ'ng this time income of $1.07m from businesses to be divested, net income came out at $2.28m, against $4.3m.

The pre-tax result was struck after interest, provision for credit losses, expenses and other charges totalling $43.09m ($41.58m).

SPAIN

May 14	Price %	+ or −
Banco Bilbao	203	
Banco Central	217	
Banco Exterior	306	
Banco Hispano	200	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	237	
Banco Urquijo	140	
Banco Vizcaya	208	
Banco Zaragoza	200	
Dragados	75	−1
Espanola Zinc	60	
Fecsa	59.2	
Gal. Preciados	25	−0.5
Hidrola	65.2	
Iberduero	59.7	+0.5
Petroleos	100.7	−0.3
Petroliber	59	
Sogefisa	107	
Telefonica	52.7	+1.2
Union Elect.	64.7	

BIDS AND DEALS

Ewer swiftly rejects $6.1m Cowie offer as inadequate

BY REG VAUGHAN

T. Cowie, the Sunderland-based motor dealer, yesterday made its long awaited bid for George Ewer, the motor coach operator and motor trade distributor, but this was *quickly* rejected by the Ewer Board.

The terms, which underline Cowie's opposition to Ewer's *purchase of Eastern Tractors*, were described as "wholly inadequate" by Mr. Anthony Vincent, deputy chairman of Ewer.

Cowie, which already has control over 33.96 per cent of the Ewer shares (including options on 4 per cent), has *pitched the offer in two forms.* The basic offer to Ewer holders is worth 52½p per share, but if the Eastern Tractors deal lapses Cowie would increase the offer to 55p. The Ewer shares closed 1½p higher at 51½p, yesterday *while Cowie lost ½p at 40p.*

The basic offer terms are: 14, *10½ per cent convertible* redeemable preference shares of Cowie, plus £38.50 cash for every 100 Ewer shares. Taking the convertible at par the offer *values each Ewer share at 52½p* and places a value of some £6.1m on the shares now being bid for and a value of £9.3m on the entire Ewer capital.

Mr. Anthony Vincent, deputy chairman of Ewer, said yesterday *he could not see much* commercial logic to joining Cowie and felt it would be an "inhibiting move" for Ewer. He pointed out that Ewer and Cowie combined would have five Ford franchises which is the maximum Ford allows.

Mr. Vincent thought that the purchase *of Eastern* Tractors was a "fine deal" for Ewer holders and he was confident that it would go through unhindered. He admitted that there was some shareholder opposition to the deal but evidence of support for the move outweighed this.

Mr. Tom Cowie, chairman of Cowie, said that he was *optimistic* about the offer. He said it spells out to Ewer holders the disadvantages of the Eastern Tractors deal. "If we can stop the acquisiton it will be a good *job for Ewer shareholders.*"

In its statement Cowie says that there would be substantial commercial advantages stemming from a merger. In particular the larger number and wider spread of locations will improve the self-drive hire collection and vehicle delivery service. Also the heavy involvement of Cowie in leasing and contract hire should prove to be a source of increased business.

Cowie also feels that Ewer's involvement in Bedford commercial vehicles will be complemented by Cowie's Ford com*mercial vehicle dealership.* Cowie feels that its *four* Ford car dealerships and Four Talbot dealerships, together with its other car franchises would, when *merged with Ewer's car activities,* provide a well balanced group, with a wider spread of locations.

Cowie intends that the business of Ewer should be maintained and developed but in the event that the Eastern Tractors deal goes through Cowie would reserve the right "*to take what* action regarding that investment *it felt appropriate, in the light of* information then available."

Ewer lifted pre-tax profits from £1.38m to £1.56m in the year ended September 30, 1979. *Of this figure £969,000 (£863,000)* came from the motor trade, with the balance *from* coach *travel* activities. Ewer's turnover rose from £22m to £25.9m.

Earlier this week Cowie reported first-half 1979-80 profits before tax down from £756,000 to £652,000, after heavier *financing charges of £1.46m* (£887,000). Turnover rose from £25m to £30m. The profit for the previous year amounted to £2.11m, on a turnover of £59m.

Marsh plans listing on London and European exchanges

AS PART of its proposed bid of over £240m for C. T. Bowring and Co., the British *insurance* broker with banking, credit *finance* and *large* Lloyd's of London interests, **Marsh and McLennan Companies Inc.** of the U.S., the world's largest insurance broker, is planning to seek a listing for its stock on the London Stock Exchange.

Mr. John Regan, chairman of Marsh, told nearly 300 Bowring shareholders at a presentation yesterday that "in order that our equity be valued at a price more familiar to the UK investor, we expect to split our shares one for one and *actively pursue* the possibility of creating bearer depository receipts representing one-tenth of a new share. These BDR's would be sterling denominated both as to price and dividend payment."

Marsh and McLennan is also considering seeking quotes for its shares on other European exchanges where Bowring is already quoted.

"*We would hope to develop* these listings into other active markets for investors in countries where we do business.'

In response to questions from the audience about *the possible* conflict between the broking *operations* of Marsh and McLennan and the Lloyd's underwriting interests of Bowring and the possibility that underwriters might be under some pressure from the Marsh paretn broking company, Mr. Murray Lawrence, non-marine underwriter for Bowring, said: "Certainly if Marsh and McLennan were so stupid as to try and exert pressure on us they would find themselves looking for a new non-marine underwriter."

Talks are now under way between Bowring and Marsh over *the future of* Singer and Friedlander, the merchant banking subsidiary of Bowring. Because the bank is unlikely to be allowed to keep its accepting house status under U.S. ownership, a sale is to be made.

Mr. Gilbert Cooke, Bowring's managing director, said there were three alternatives: a deal that would give the bank's senior executives control; a sale to an *acceptable* party who would operate the group as its merchant banking arm; and a merger with another merchant bank.

Marsh said yesterday afternoon that there was "*a full* spectrum of interested parties." for a deal over the disposal of Singer and Friedlander.

SE inquiry clears DCM share deals

A Stock Exchange inquiry has found no evidence of *irregular* dealings in the shares of toy group **Dunbee-Combex-Marx**. The inquiry covered the period from August 31, 1978, to October 27, 1978.

While no "incorrect conduct" is established, it is acknowledged that details of DCM's forward order position could have become sufficiently widely known in the U.S. toy industry to *influence share dealings.*

Mr. Dyer resigns from Armstrong Equipment

MR. J. H. DYER, the executive who expects to join the board of **Chisty Brothers** if the £600,000 *offer from brokers,* Simon and Coates, succeeds has resigned from **Armstrong Equipment** where he was managing director of the fast expanding light engineering and fastenings *division.*

A statement from Armstrong yesterday said that the group "had no prior knowledge of the matters referred to in the announcement of Simon and Coates and was not and is not in any way associated *with the* proposed offer, or for the proposal for Mr. Dyer to join the board of Christy. Mr. Dyer is no longer employed by the Armstrong Group.

Mr. Harry Hopper, chairman of *Armstrong, added yesterday that* Mr. Dyer had "resigned because he released that there was a conflict between his own interest and the job he was doing with us."

"If you have an on-going executive job you have to give your *full time attention to that. If* you have invested your own money in a company which is losing money you are going to be *looking hard at that.*" Mr. Hooper went on. Mr. Dyer will get some compensation, he will be paid an adequate part of what he would be entitled to this year in the way of special bonuses."

Mr. Dyer and his wife each *own under 5 per cent of Christy* and, with recent purchases in the market, Simon and Coates now control 20.5 per cent of the shares. The bid has been pitched at 30p per share and the firm has offered to stand in the market *to buy shares from holders* wishing to realise their investment before the offer is posted.

The shares, however, have been trading in a thin market at *between 2p and 3p over the offer* price and Christy is prepared to believe that a counter-bid may be mounted.

SUSPENSION FOR STEAUA

At the company's request, the listing of Steaua Romana *(British)* shares was *suspended* on Thursday pending further announcement.

Caparo gains control of LKI

FOLLOWING purchases in the market yesterday **Caparo Investments**, the Indian-owned private concern, has increased its stake *in* **L.K. Industrial Investments** to 50.01 per cent of the voting capital.

Caparo, which acquired its original LK stake through the acquisition of Empire Plantations and Investments, announced *earlier* yesterday that it had raised its stake in LK to 47.57 per cent, and under the Takeover Panel rules world extend offers of 16½p cash to remaining shareholders.

Later Caparo announced a further share purchase of 2.44 per cent giving it control of LK. The directors said that the cash offer was now unconditional as to acceptances but remains con*ditional solely on the offer not* being referred to the Monopolies Commission. Caparo intends to maintain a listing for the LK shares.

LK, which is involved in the manufacture of metal products and sale of *products* to the clothing trade, showed a loss before tax of £14,868 for 1979 (profit £201,326).

WARING AND GILLOW/MAPLE

Fielding, Newson-Smith, as brokers to **Waring and Gillow** *purchased on their behalf 100,000* ordinary shares in **Maple and Co** at 34½p on Wednesday.

QUEENS MOAT

Queens Moat Houses, hotels group, is buying the Manor Hotel, Banbury. The total consideration for the freehold is *£500,000 to be satisfied by the* issue of new fully-paid Queens Moat ordinary shares to the vendor ranking pari passu with the existing ordinary shares.

The *quantity of ordinary* shares to be issued will be ascertained as at the date of completion subject to a maximum of 1,700,000 with any residue in cash.

MFI has 80% of Status

MFI has received acceptances *in respect of 30.64m ordinary* **Status Discount** shares representing 79.9 per cent. The offer is now wholly unconditional.

Previously MFI held 4.1 per cent of Status.

The proposed acquisition by ***MFI Furniture Group of Status*** **Discount** is not being referred to the Monopolies Commission.

هكذا من الأصل

Hunting Associated growth marred by air freight losses

HELD BACK by increased losses of £817,000 against £26,000 at Channel Island Aviation, pre-tax profits of Hunting Associated Industries improved by £0.43m to £5.33m in 1979.

At halfway, when profits were little changed at £2.52m (£2.5m), the directors said the full year should show a modest improvement. They now describe the result as not quite showing the increase which might have been expected; the main shortfall resulting from the costs of supporting the newly acquired Channel Islands associate, control of which was taken on December 31, 1979. The problems there have largely been contained, they add.

They expect 1980 to show an improvement and that further growth will occur thereafter. The current year has got off to a reasonable start. Both the defence orientated companies and the aviation-based businesses should have a good year but problems still exist in the survey and boat building division. Canadian and South African interests, taken as a whole, should slightly improve.

Basic earnings per 25p share for 1979 rose from 34.69p to 38.86p and fully diluted from 26.02p to 29.14p. The total dividend is hoisted from 2.44p to 5p net, with a final payment of 2.5p.

Turnover advanced to £124.07m (£103.09m) and trading profits finished £1.15m higher at £6.63m. A breakdown of these figures shows (£000s omitted): aviation support £38,861 (£31,480) and £3,077 (£2,288); engineering £66,846 (£54,729) and £3,303 (£2,603); resource surveys and photography £18,360 (£16,880) and £254 (£589).

After tax of £1.3m (£1.54m), minority profits of £314,000 (£157,000) and extraordinary credits of £250,000 (£1.59m), resulting on gains on the sale of freehold premises, the attributable balance emerged at £4.97m (£5.8m).

● comment

Hunting Associated, the largest of the Hunting trio, has come through with the smallest income growth at 7.3 per cent. The main problem was the Channel Islands air freight group, which lost 817,000 in its first 12 months on the Hunting team. This was caused by last year's lorry strike and poor weather. Improvements came mostly in the second half and two bright spots were the group's engineering and aviation support businesses. The former registered a 27 per cent rise in trading profits as a result of higher defence spending in the UK. The aviation "garage" business progressed with a 34.5 per cent rise in earnings thanks to an increased number of customers. Hunting is looking for an overall upturn in the current year, but the Channel Islands business may not be in the black until the second half. Despite a doubled dividend the yield is still only 2.1 per cent covered almost eight times. At 345p, the fully diluted p/e comes to 11.8.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—M. J. Gleeson (Contractors), Spencer Clark Metal Industries.

Finals:—Berec, J. Billam, Amos Hinton, C. and W. Walker, Thomas Warrington.

Retail lift cuts Heal loss

INCREASED profits from the retail division helped Heal and Son Holdings, retail furnisher, bedding manufacturer and textile converter, reduce its pre-tax losses from £490,000 to £192,000 in the year ended January 31, 1980.

However, the results were adversely affected by high interest—up from £276,000 to £359,000—and a disappointing performance from the contractual division, say the directors. Turnover eased to £11.34m (£12.81m).

There is a tax charge this time of £1,000 (£62,000 credit) and an extraordinary debit of £175,000, arising from a loss on the disposal and subsequent liquidation of George Coulter, the building subsidiary.

The dividend is again omitted—the last payment was 5p net in respect of 1976-77.

directors are planning a one-for-two scrip issue.

Earnings, after tax of £1.11m (£1.09m), are shown as 5.67p (4.6p) per share. Dividends absorb £2.81m (£1.92m) and the retained surplus is £71,558 (£16,073).

Receiver for T. Potter

NEARLY all the 500 employees of T. Potter and Sons, the Port Talbot builders, have been dismissed. Mr. William Sowman, the receiver appointed on May 12, said the company was no longer in a position to continue its housing and civil engineering contracts. Only a nucleus of the 500 workforce was being retained.

WHITBREAD INVESTMENT CO.

Taxable profits of the Whitbread Investment Company went ahead from £3.02m to £3.5m in the year to March 31, 1980. The dividend is stepped up to 5.5p (4.5535p) with a final of 3.52p and the

FIRST SCOTTISH AMERICAN

LISTING HAS been granted for 1,833,525 ordinar yshares of First Scottish American Trust which have been issued against conversion of £1,992,952 5 per cent converted unsecured loan stock 1902-97 with effect from May 1.

BANK RETURN

	Wednesday May 14 1980	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14 553 000	—
Public Deposits	29,084,200	+ 1,584,430
Special Deposits	218,710,000	+ 3,135,000
Bankers Deposits	471,481,453	+ 127,252,601
Reserve & other Accounts	659,743,148	— 26,459,472
	1,393,571,801	+ 105,512,559
ASSETS		
Government Securities	816,086,810	+ 300,595,000
Advances & Other Accounts	326,534,866	— 163,948,401
Premises Equipment & Other Secs.	229,662,257	— 39,095,737
Notes	21,007,780	+ 7,961,626
Coin	280,088	+ 71
	1,393,571,801	+ 105,512,559
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,000,000,000	— 75,000,000
In Circulation	9,978,992,220	— 82,961,626
In Banking Department	21,007,780	+ 7,961,626
ASSETS	11,015,100	—
Government Debt	8,039,150,927	+ 457,138,093
Other Government Securities	1,949,833,973	— 532,138,093
Other Securities		
	10,000,000,000	— 75,000,000

GA up £7.8m in first quarter

PRE-TAX PROFITS of General Accident, Fire and Life Assurance Corporation more than doubled over the first quarter, from £5.5m to £13.3m, despite only marginally lower under writing losses. A 26 per cent rise in investment income from £22.3m to £28.1m accounted for this improvement.

After deducting higher tax charges, the net profit attributable to shareholders over the period jumped from £4.4m to £10.2m.

The group showed strong premium growth over the period, rising in sterling terms by 17 per cent from £199.7m to £234m. Currency fluctuations made very little difference to the increase. This strong premium growth and continued high interest rates accounted for the good investment income performance.

The overall underwriting loss for the first quarter amounted to £15.2m against a loss of £17.1m in 1979. But in the U.S., the underwriting situation worsened with a loss of £3.2m compared with £600,000 loss previously. The operationg ratio declined from 99.6 per cent to 103.1 per cent. All major lines of usiness except property were affected.

The overall underwriting position improved in the UK over the period, the loss being reduced from £11.9m to £9m. However, in the motor account—GA is the largest motor insurer in the UK—underwriting losses rose from £4.7m to £5.6m despite the improved weather in the quarter compared with the severe winter in 1979.

The howeowners account showed a significant improvement of £3m, though still recording underwriting losses. The mild winter weather and premium rate increases brought about this improvement. There were better results in other major UK accounts except industrial property. This suffered an increased loss due to the high number of large fire claims. GA, in common with other insurers, was affected by the £72.5m damage cost of the fire in January at the Weybridge warehouse of the British Aircraft Corporation, the largest fire claim ever.

Improved underwriting results were achieved in Canada and Brazil. But in Europe, only the Netherlands showed better figures.

● comment

The market was disappointed with General Accident's first-quarter results for despite the mild winter weather on both sides of the Atlantic, it could only reduce its underwriting losses by £1.9m to £15.2m. In the U.S., GA is very much into the down cycle and in the absence of any major rate increases it will be fortunate to hold its operating ratio at 103 per cent. In the UK, it is not containing rising claim costs on its motor business and losses are increasing even though the number of claims is now steady. Another hefty motor rate increase later this year looks inevitable. The householder account has improved and a break-even position should be reached by the end of the year. On the bright side, the group has improved investment income by one-quarter and doubled earnings. Yet the market cut the share price by 14p to 242p, where the yield is 7 per cent.

Folkes Hefo improves by 11%

PRE-TAX profits of John Folkes Hefo, the Midlands engineering group, improved 11 per cent from £3.5m to £3.88m during 1979. The progress shown in the first six months continued into the second half when profits went ahead from £1.99m to £2.17m.

After tax down from £695,000 to £349,000, net profits advanced from £2.81m to £3.53m. The final dividend is raised from 1.1387p to 1.26p for a total of 1.76p against 1.5787p. Dividends cost increased to £848,825 compared with £703,859 in 1978. Retained profit was up from £1.84m to £2.42m.

Both the industrial property and engineering divisions failed to improve their profits and shaded slightly in 1979. Industrial property was lower at £1.21m (£1.22m), and engineering was £13,00 down at £1.62m. The merchanting division's share improved from £493,000 to £500,000, and housing advanced from £153,000 to £551,000.

The pre-tax figure was struck after depreciation £1.36m (£1.21m) and interest of £872,000 (£710,000).

Mr. J. W. Hearnshaw, the chairman, says profits in the first quarter are at a higher rate than in the corresponding period last year.

Turnover for 1979 was £74.4m against £67.47m.

Net assets per 5p share (after incorporating industrial property revaluation) increased 52 per cent to 57p.

The chairman said later that strikes cost the group an estimated £700,000 last year and higher interest rates £220,000. The financial position was strong and likely to improve. Borrowings were £2.5m less than in May, 1979.

● comment

Buoyant housing rescued JFH from a property and engineering downturn, to leave group profits 10 per cent ahead and roughly in line with market expectations. The company reckons strike damage at £700,000, with interest charges and tenant bankruptcies holding back property. The divxidend is uncovered on a CCA basis, and things will get worse next year as depreciation bites into the bargain basement Park Webb plant. Furniture and building supplies is still losing money, with the company resigned to hanging on through a bleak short-term future. The steel strike knocked stocks out of kilter, but in the longer term has probably put JFH into a generally stronger market position. With the share price languishing at 29p, against 57p net worth on historic accounting and an academic 78p on CCA, shareholders might look forwrad to a spinning off of housing and perhaps property. The fully-taxed p/e stands at 7.2, and the yield is an historic 8.7 per cent. For the current year, an expected £800,000 profits boost from forging and property could well be absorbed by the rest of the group, leaving the continuing reduction in borrowings to help profits ahead.

Lloyds and Scottish feeling effects of high interest rates

AS A result of high interest rates which prevailed throughout the period, profits before tax of Lloyds and Scottish, finance group, fell by 10.2 per cent from £12.26m to £11m for the half-year to March 31, 1980.

The directors say profit margins on a major part of the group's business will continue to be under pressur euntil there is as ignificant reduction in interest rates.

Reflecting a reduced tax charge of £5.02m (£6.14m), attributable profits, after minorities, dropped 3.6 per cent to £5.62m.

Stated earnings per 20p share slipped from 5.43p to 5.22p, but the interim dividend is held at 1.87p net—last year's total was 5.27p on record pre-tax profits of £27.8m.

The interim payment again absorbs £2.01m leaving a retained surplus of 3.61m for the half year, compared with 3.82m.

The consent of the U.S. Federal Reserve Board to the company's purchase of James Talcott Factors Incorporated has now been given and it is expected that the final arrangements for this acquisition will be completed shortly.

● comment

With about half its lending out on fixed rates, Lloyds and Scottish is suffering through the current period of extremely high interest rates. Despite an increase in volume, profit in the first half dropped 10 per cent, and since there is a two-month lag in the impact of interest rate reductions, hope for the second half has faded. On estimates of pre-tax £25m profit for the year, the prospective p/e is 13.4, after the shares fell 1p yesterday to 143p. No more than a token increase in the dividend is expected and so the prospective yield would be slightly under 6 per cent.

Lonrho plans loan stock modification

Lonrho, the international trading conglomerate, is proposing to amend the trust deeds constituting its unsecured loan stocks.

Under the arrangement the definition of share capital and consolidated reserves, employed in determining an overall limit on group borrowing, is to be modified "in order to bring that limit substantially into line with the limit contained in the company's articles of association."

The move will require the sanction of holders of the 8 per cent unsecured loan stock 1980-1985 and the 8 per cent convertible unsecured loan stock 1981-86.

It will involve a ½ per cent per annum increase in the rate of interest on both stocks with effect from June 9, 1980, and the bringing forward of the repayment dates to June 30, 1983, in the case of the loan stock, and April 30, 1894, in the case of the convertible stock.

BUSINESSES FOR SALE

SAXTONS
FOR SALE
OFFICE FURNITURE MANUFACTURERS BUSINESS
Long Established with Leading Trade Mark fully equipped modern factory on lease in WEST YORKSHIRE
EXCELLENT ORDER BOOKS & STOCKS
Experienced Workforce
OFFERS INVITED FOR ASSETS
Full details from: T. SAXTON & CO., Chartered Surveyors, 53, Queen Street, Sheffield, S1 1UG. Tel. (0742) 77635

WOOLLEN PIECE GOODS
WHOLESALE/AGENCY
Old established business specialising in menswear fabrics. Small central London leasehold offices. Six U.K. personnel. Wholesale business with agents in all continental European countries. Agency business including exclusive Western European agencies for several non-European mills. Annual wholesale turnover over £1,500,000.
Write Box G.5935, Financial Times 10 Cannon Street, EC4P 4BY

STEEL FABRICATION ENGINEERS
Situated in N.E. England with freehold premises 40,000 sq. ft. near water frontage. Adequate range of equipment with overhead cranage. Turnover approaching £1 million, profits £35,000 before tax.
For further information write Box G.5879 Financial Times, 10 Cannon Street, EC4P 4BY

LITHOGRAPHIC PRINTING
NORTH LONDON OUTSKIRTS
Soundly managed and well located established General Printer with Blue Chip client list for sale. 4 2-colour sheet fed Litho up to SRA1, plus Letterpress and Origination. Turnover in excess £1,000,000. Good cash position and profit record.
Offers around £750,000 required for outright sale.
Principals only, no agents, write Box G.5790, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR DISPOSAL OR AMALGAMATION
ASSETS AND BUSINESS OF MEDIUM-SIZED COLOUR PRINTING COMPANY IN HOME COUNTIES
Purpose-built long-lease factory. Multi-colour plant plus finishing equipment now under-utilised. Fine investment for purchaser with substantial print needs. Experienced and qualified management and labour force with design services available.
Write Box G.5820, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE
Two businesses (one as a going concern and one in liquidation) involved in the manufacture of specialist electrical fittings, switches and wiring systems, situated in mid-Wales. Potential turnover £300,000 p.a., to include leases of two units (3,000 sq. ft. and 10,500 sq. ft.), Plant, Machinery and Equipment, Stocks Goodwill and contracts. Offers for the above are invited approaching £80,000.
A further separate business (in receivership) engaged in the manufacture of plastic bottles using "Hesta" and "Automa" machinery is also available for sale and consideration will be given to selling the items of plant separately if necessary
Further information from Elton P. Edwards, F.C.A. LITTLE & CO. *Chartered Accountants* 16, St. Owens Street, Hereford (Tel. Hereford 2136/3051)

LEISURE COMPANY
with excellent potential and with provision to expand an existing Sports Complex premises. Situated in
Selby, North Yorkshire.
6 Squash Courts, 2 Badminton Courts within multi-purpose Hall. Shop, Bar Restaurant and Sauna Complex, etc.
Further area within existing building suitable for conversion but not necessary immediately.
Adjacent office building 22m x 15m would be available under separate contract
All enquiries to: **David Gilliat Associates,** *Chartered Surveyors* 13 Bridge Road, Stockton-on-Tees Cleveland TS18 3AA Telephone 0642 65588/9

COMPLETE WOOLLEN DYSART, FIFE
Price £2.1 million
Self-contained yarn spinning unit suitable for the manufacture of carpet and finer count yarns. Well-equipped with 4 x 72in and 1 x 96in. cords (all Haigh Chadwick) and corresponding spinning, doubling and bundling.
For further particulars apply to G. T. Moss James Meikle & Co. Ltd. Caledonia Works, Kirkcaldy (0592 61681)

Carpet Manufacturing Plant Kirkcaldy, Fife
Complete spool Axminster manufacturing plant with 8 modern Platt 12ft. looms and 2 modern Crabtree 4 m looms, and extensive narrow weaving plant. All ancillary processes including very modern and well-equipped dyehouse, all contained in well-laid-out single-storey factory with ample modern warehousing
For further particulars apply to G. T. Moss James Meikle & Co. Ltd. Caledonia Works, Kirkcaldy (0592 61681)

PUBLISHING CO.
for sale with established controlled circulation. Publications producing £250,000 p.a. in advertising revenue, this being only two-thirds of potential. Immediate repeat business available totalling approx. £200,000. Ideal take-over for existing company. Only principals will be acknowledged. Price £200,000.
Write Box G.5877, Financial Times. 10 Cannon Street, EC4P 4BY.

MICROCOMPUTER COMPANY
Southern England microcomputer dealers and distributing company with good sales and profit require extra finance, outright sale or participation with existing management. This is required so that full advantage may be taken of a vastly expanding market. All offers considered.
Write in strict confidence to Box G.5876, Financial Times, 10 Cannon Street, EC4P 4BY.

FURNITURE MANUFACTURING
Fully equipped and operational furniture company turning over £1.5m + for sale. Situated in South Wales, the company has a reputation as a manufacturer of high quality furniture for use in the home. Experienced management, skilled labour force. Well stocked order book.
Write Box G5884, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE
SMALL NON FERROUS COLDBATH FOUNDRY
FREEHOLD APPROX. 4,380 FT.
N. London area. Owner retiring.
Enquiries phone 01-226 6516

MANCHESTER BASED ELECTRICAL CONTRACTING COMPANY FOR SALE
Turnover approx. 500,000 p.a. with good gross —?—?, full order book with government, local authority, and consultants
Write Box G5883, Financial Times 10 Cannon Street, EC4P 4BY

WELL - ESTABLISHED service industry company in south-east for sale. High turnover, excellent profits, expansion potential. Approximately £225,000. App.y. Box G.5873, Financial Times. 10 Cannon Street, EC4P 4BY.

PALATE MANUFACTURING BUSINESS WEST MIDLANDS
By the Direction of the Receivers and Managers
- SUBSTANTIAL MODERN PREMISES
- FREEHOLD AND LONG LEASEHOLD
- ESTABLISHED WORKFORCE
- FULL RANGE OF PLANT AND EQUIPMENT

Ref. DL/RAB
GRIMLEY & SON, 2, St. Phillip's Place, Birmingham B3 2QQ Tel: 021-236 8236

LIFTING GEAR ENGINEERS
SITUATED N.E. ENGLAND WITH FREEHOLD PREMISES 8,000 SQ. FT.
Turnover £300,000, Profits £30,000 before tax.
Provides full range of equipment and services for lifting tackle on-shore, off-shore and abroad.
Member Chain Tester Association.
Personnel registered in the CTA Scheme of Competence.
Major distributorships held.
For further information write Box G5871, Financial Times. 10 Cannon Street. EC4P 4BY.

CAR AND VAN SELF-DRIVE BUSINESS FOR SALE
Well established operating two branches near town centres of 2 N. Midlands towns Heavy populated thriving areas. Only 6 staff manager 90 modern saloons and 25 light commercials ensuring low overheads. A clean and regular clientele paying cash in advance of hire which is producing £4-5,000 income per week at present. Room for expansion.
The business is an attractive proposition for any company with diversification plans but particularly appealing to a big motor concern or distributor with a strong fleet and used car policy. It is envisaged that this business could take 300 new vehicles per year by changing the entire stock every 4 months or 6,000 miles. These slightly used cars could then be passed on to their used car departments at attractive prices and provide a self supply of low mileage models. 100% capital allowances are available on all stock. Offers in the region of £200,000 would be required and this would include business, one freehold property valued at £35,000 and one leasehold with 14 yr. remaining at low rental. Vehicle stock at valuation or owner would be able to dispose of some privately.
Only genuine applicants please to Box G.5881, Financial Times. 10,Cannon Street, EC4P 4BY.

LARGE PIG BREEDING AND FATTENING COMPANY
FOR SALE
Successful profit record. Existing management would continue.
Write Box G.5836, Financial Times, 10 Cannon Street, EC4P 4BY.

Confectionery Company
IN THE EEC
FOR DISPOSAL
Turnover in excess of £3 million, with substantial freehold property. The business has suffered reverses in the past few years but has now been fully reorganised and profits in excess of £100,000 are anticipated for 1980. The vendors require £200,000 for approximately 90% of the business and a working capital injection of around £200,000 will also be required.
Principals only should apply to: Box G.5829, Financial Times, 10 Cannon Street, EC4P 4BY.

DIVERCO Limited
FOR SALE
CARDBOARD BOX AND PACKAGING MANUFACTURER
Turnover £200,000. Freehold. North-west. Profitable
PALLETS AND INDUSTRIAL MANUFACTURER PRODUCTS
Turnover £700,000. North-west.
4, BANK STREET WORCESTER WR1 2EW

FOR SALE
A well-established facility of an International Company, located in the West Midlands and manufacturing light to medium fabrications for the Agricultural and Off-Road Vehicle markets, is available for sale.
A range of products is being profitably produced by a competent workforce who are presently restrained by a lack of customer demand.
Offers are invited for a 4,650 square metre open-plan factory on a 36,425 square metre freehold site, fully equipped with the tools and fixtures of its trade.
Apply in the first instance to Box G.5882, Financial Times, 10 Cannon Street, EC4P 4BY.

AIRCRAFT CHARTER BUSINESS FOR SALE
SOUTH HUMBERSIDE AREA
Fully equipped including twin-engine Piper Aztec PA-23-250.
Hangar facilities and full use of aerodrome with a 3,000ft. runway.
(Ref. DL/RAB)
GRIMLEY & SON, 2, St. Phillip's Place Birmingham B3 2QQ Tel. 021-236 8236

FOR SALE — Well established Magazine/Free Sheet London-based. Please reply to Box G.5880, Financial Times. 10, Cannon Street. EC4P 4BY.

LEISURE MARKET FOR SALE
Company producing attractive range of recreational consumer products with considerable R and D backing and new product development. Excellent potential. Low initial capital requirement. Responses invited from principal only.
Write Box G5886, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE GERMAN TIMBER AGENCY
Well introduced, worldwide connections, large number of buyers Hard- and Soft-wood Lumber, Plywood, Panels, DIY items, etc.). Good opportunity for foreign agents/Timber Companies/Exporters to establish their own business/representation on the German market.
Write in confidence to Box G5845. Financial Times, 10 Cannon Street, EC4P 4BY.

Substantial specialist **PRINTING BUSINESS FOR SALE**
Turnover over £2m.
Freehold Premises.
Colebrook, Evans & McKenzie *Auctioneers & Valuers* 5 Quality Court, Chancery Lane London WC2A 1HP

FOR SALE
Profitable Midlands based light ENGINEERING COMPANY with own product. Turnover approximately £400,000 per annum
K. G. WHITE F.C.A., Thornton Baker, St. Chads, Queensway, Birmingham B4 6EL

Successful established **OFFICE EQUIPMENT RETAILING AND WHOLESALING BUSINESS**
Current turnover £300,000 p.a.
Write for details Box G.5869, Financial Times, 10 Cannon Street, EC4P 4BY.

LONDON BASED **IATA/ABTA TRAVEL AGENCY**
Fully computerised expanding business.
Write Box G.5878, Financial Times, 10 Cannon Street, EC4P 4BY.

Luxton & Lowe Ltd
70 Bedrms; Class 14 use as Nursing Home or similar; Charming Earls Court Square Corner site. Currently Hostel. £875,000 Freehold.
Business Chambers 98a Burlington Road, New Malden Surrey - 01-949 5451 - PBX

PLANT AND MACHINERY

PUMPS
PUMP HOUSE EQUIPMENT
3 off 3000 GPM Sulzer borehole type pumps, 112ft head with 200/210 hp motors.
5 off 4000 GPM Sulzer borehole type pumps, 142ft head with 310 hp motors.
3 off 15000 GPM Harland borehole type pumps with 225 hp motors.
2 off Pulsometer horizontal type pumps with 62.5ft head and 250 hp motors
2 off 600 GPM Sulzer borehole pumps 159.5ft head with motors.
2 off 600 GPM Sulzer borehole pumps. 89ft head with 25 hp motors
All in good working condition. Offers:
HOCKLEY METALS (MIDLANDS) LTD., Park Road, Hockley Birmingham B18 6SU Tel: 021-551 4688

USED/NEW MANUFACTURING PLANTS REQUIRED FOR EXPORT
1. Kraft paper-sack manufacturing (for cement/fertilizer)
2. Dry battery cells
3. Yoghurt-making
4. Confectionery (lollipops/bubblegum)
5. Car wash units

Please write in confidence with full details to Box G.5870, Financial Times. 10, Cannon Street. EC4P 4BY.

BUSINESSES WANTED

SPECIALIST CONTRACT MANUFACTURE
A company with 15 years' manufacturing experience in medical "life support" equipment is seeking to expand its production organisation into contract manufacture for products within electronics, hydraulics and instrumentation, which require quality, longevity, efficiency and durability.
This is a UK-based company, part of a major European group, situated in the north of England.
Short- to medium-term involvement desirable, with the possible utilisation of existing research and development facilities.
Write Box G.5875, Financial Times, 10 Cannon Street, EC4P 4BY.

NEEDED URGENTLY INDUSTRIAL GOING-CONCERN
in manufacturing / engineering sectors. Up to £500,000 available. Replies in confidence to Box G5889, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED Company with Management or Capital losses £50,000-£400,000. Mallow, 8, Egerton Place, S.W.3. 584 8877.
WANTED—Established engineering distributors. Purchasers are looking for company capable of expanding its existing activities, and would wish preferably for existing management to remain. Please write giving full details in confidence to Box G.5872, Financial Times, 10, Cannon Street, EC4P 4BY.
ADVERTISER SEEKS a Company with Capital Losses of £500,000-£600,000. Replies to Box G.5874, Financial Times, 10, Cannon Street, EC4P 4BY.

HOTELS AND LICENCED PREMISES

CORNWALL
BOCHYN MANOR, THE LIZARD
Period property with established use as Freehouse and Restaurant. 9/10 bedrooms, panelled walls. Grounds of approximately 16 acres. Stable block with Clock Tower. Beautiful setting with attractive grounds.
FOR SALE BY AUCTION 16TH JULY 1980
MILLER & CO.

THE CANADIAN HUNTER FREEHOUSE
OPPOSITE WARWICK CASTLE WARWICK
Detached "Black and White" Bars/Restaurant complex for sale by Public Auction on 25th June
Auctioneers: SIDNEY PHILLIPS & SON 8 King St., Hertford - Tel: 0432 56181

BUSINESSES FOR SALE/WANTED
Appears every Friday
Contact: DIANE STEWARD 01-248 5284

Severe downturn for John Foster

WITH TRADING conditions worsening to a greater extent than anticipated during the last three months of the financial year, **John Foster and Son**, spinner and weaver, reports a drop from £886,151 to £228,973 in pre-tax profits for the year to February 29, 1980. In the first half there was a loss of £262,004 against profits of £61,617.

A further fall in mohair prices resulted in unforeseen stock losses, and the continued strength of sterling remained a handicap for the group's export trade. In the circumstances, the directors are cutting the final dividend from 1.5p to 0.5p, against a forecast of 1.5p, for a net total of 1.5 (2.5p).

After tax down from £102,587 to £69,504 and an extraordinary debit of £105,773 (nil), stated earnings per 25p share have plunged from 12.6p to 1.5p.

The extraordinary debit comprises cost of closure of a subsidiary's weaving mill and refurbishing costs written off amounting to £82,373, and deficit on disposal of controlling interest in the Australian company John Foster Valley amounting to £23,400.

Dividends absorb £122,850 (£175,578), leaving the company with a loss of £107,814 (profit £584,978).

Mr. G. B. F. Grant, the chairman, says trading conditions for the current year are likely to remain difficult, with the outlook at home bleak. He believes, however, that there are good reasons not to expect a fall in export demand for the group's speciality cloths, which represent the greater part of the turnover.

If exchange rates in major export markets move favourably as currently indicated, and lower prices for mohair are maintained, the board feels that the return to improved profitability should be sooner rather than later.

He says the programme of rebuilding, refurbishing and re-equipment commenced in 1973-74 was completed with capital expenditure in 1979-80 of £1.2m.

Turnover for the year was down from £15.74m to £14.16m.

● comment

It is another tale of woe from **John Foster**. Its exports have suffered from the strength of sterling—over 70 per cent of turnover goes overseas the major market being mohair to Japan. There is a near £100,000 write-off on stocks—the mohair price slumped 50 per cent in the closing three months of the year. Interest charges are about a third higher—capital spending of £1.2m has been financed by bank borrowings and, of course, interest rates are higher. Moreover the home market is "dreadful" due to the impact of imports from the Far East, and there is no contribution from the former Australian subsidiary in the second half. The poor result and cut dividend might be more bearable if the outlook was brighter. The Japanese are destocking which is bad news for this year's trading. One good point is that the mohair price fall makes it a more competitive suiting material and does give Foster a chance to beef up margins. At 26p the shares have little backing in a yield of 8.4 per cent and p/e, on stated earnings of 17. The n.a.v. per share is around 75p—the company estimates a more realistic 100p—but it is hard to see Vantona making a move to bid and the hoped for recovery in 1981-82 sems a long way off

Wm. Leech up 29% so far

ALTHOUGH PRE-TAX profits of **William Leech** show a 29 per cent advance from £2.34m to £3.02m for the 12 months to February 29, 1980, Mr. J. P. Adamson, the chairman, warns that this trend is not expected to continue in the final third of the current 18 months accounting period when high interest rates will take their toll.

Turnover for the 12 months of this housebuilding and development group climbed by over £20m to £51.68m, while trading surplus reached £2.99m, compared with £2.35m. Associates contributed profits of £35,000 (£10,000 losses).

After tax of £424,000 (£509,000) net profits increased from £1.83m to £2.6m, representing stated earnings per 20p share of 17.33p (13.26p). A second interim dividend of 3.3p net, costing £495,000, makes a total to date of 6.8p, which compares with 6.64p in the previous year.

Cater Ryder slips £0.5m

After rebate, tax and transfer to contingencies, profits of **Cater Ryder and Co.**, bill broker and banker, fell to £983,417 in the year to April 30, 1080, compared with £1.51m.

The dividend is lifted to 21p with a final of 16.7125p — last year's total was 19.0782p including a supplementary final of 0.19497p.

HOME FARM AT PREMIUM

A premium of 20p for the shares in **Home Farm Products** soon developed yesterday when dealings started for the first time. The shares, placed by brokers Capel-Cure Myers at 55p each, opened around the 76p mark and in fairly active trading held steady closing at 74p.

MINING NEWS

CSR seeks bigger iron ore role in Pilbara

BY PAUL CHEESERIGHT

CSR, the Australian resources conglomerate, is entering the race to win contracts and finance for the development of new iron ore mines in the Pilbara region of Western Australia. Its Yandicoogina deposit theoretically could be in production by 1984.

The group is working towards being in a position by the end of the year to put together a package involving equity partners, development finance and long terms contracts, Mr. Bill Bennett, executive director of CSR's Pilbara Iron unit, said in London yesterday.

Earlier reports from Sydney had said CSR may start development of Yandicoogina later this years.

Yandicoogina is one of several iron ore deposits in Western Australia which could come on stream by 1984, if market circumstances required it, Mr. Bennett noted.

But there were early indications that any attempt to rush the deposit to the development starting line would be resisted by CSR's partners in the Mount Newman joint venture.

CSR owns Yandicoogina in its own right, but it also has a 30 per cent stake in Mount Newman, whose mine is 80 km away and whose rail outlet to the sea is 30 km away.

Other partners in Mount Newman are **Broken Hill Proprietary** with 30 per cent, **Mitsui-C. Itoh** with 10 per cent, **Seltrust Holdings** with 5 per cent, and **Amax Iron Ore**, the marketing agent with 25 per cent.

Mr. Bennett acknowledged that plans for the development of other deposits were more advanced. Some had agreements with the Western Australian Government. If Yandicoogina is to be in the race at all, he said, it would be necessary to make preparations for a development package to come together by the end of the year.

The other deposits considered most likely to be exploited in this decade are Area C, West Angeles, Deepdale and Marandoo. But their future, as Yandocoogina's, depends on the attitude of the Japanese steel industry.

The Japanese have been studying all these deposits with a view, it is thought, to making a decision by the end of the year about their future needs and the manner in which the needs would be pursued through the negotiation of long-term supply contracts and the provision of equity financin.

CSR, in common with the holders of the other deposits, will not proceed to development without sales contracts. Any new project would cost at least A$400m and long termcontracts would be needed for project financing, Mr. Bennett said.

CSR has been testing the water with the Japanese and a mission was in Tokyo for talks last week. But in the Australian industry it is believed that Yandicoogina is some way down the list of Japanese priorities.

The deposit has been considered by the Mount Newman venturers as an alternative source of material for use sometime in the future, but CSR's individual consideration of the deposit's management suggests it will not be indefinitely satisfied to have Yandicoogina relegated to an ancilliary role.

But the international recession in the steel industry has reduced Japanese iron ore requirements. The Japanese have not been taking up their contractual entitlement, said Mr. Elwin Smith, president of Amax Iron Ore and sales negotiator for Mount Newman.

He was not prepared, he said, to see a newcomer in the Western Australian iron ore trade with Japan until the Japanese were taking up their full entitlement. "Japan may have forward demands, but it also has forward obligations," he said.

Mount Newman was not prepared to bow out before some newcomer, he made clear. It wanted a full account for the investment it had made. It was a going operation holding definite agreements with the Japanese.

Disputes hit Mount Newman

A WARNING that the chronic labour unrest in the Pilbara could cause irreparable damage to the future of this great iron ore region has come from Mr. John Du Cane in his speech to the Perth meeting of Seltrust Holdings, the Australian arm of London's Selection Trust group.

He disclosed that in common with the other iron ore mines in the area, the big Mount Newman operation has continued to suffer badly from labour disputes and so far this year it has been prevented from shipping ore for a total of 51 days.

Such stoppages, he said, "have undermined confidence in Australia as a stable source of supply to the extent that potential customers feel obliged to look for supplies elsewhere, to the detriment of expansion and employment possibilities in Australia."

Mr. Du Cane also told the meeting of expansion hopes for the new Agnew nickel mine in Western Australia where the group is partnered by **MIM Holdings**.

Confirmatory drilling is to be carried out on a deeper lying *zone at the property which is* thought to contain some 16m tonnes of mineralisation.

Meanwhile, Agnew is still overcoming its teething troubles and this year's output of nickel is expected to fall short of the previously estimated 12,000 tonnes.

هكذا من الأصل

Kwik-Fit soars 74% to £2m

SECOND-HALF pre-tax profits of Kwik-Fit (Tyres and Exhausts) Holdings advanced £578,246 to £1.19m and this resulted in figures for the full year to February 29, 1980 improving by 74 per cent from £1.15m to £2m.

After tax up from £225,039 to £616,079, stated net earnings per 10p share are 6p (6.17p); pre-tax earnings were 8.75p (7.65p). The final dividend is raised from 0.631p to 0.737p, making the total 1.34p (0.921p). There was an exchange loss of £44,575 compared with a gain of £10,835 last time.

Mr. W. A. Stenson, the chairman says the retail tyre and exhaust division increased its profits by 70 per cent and is now the largest independent retailer in Europe. Dutch company Van Rooy Dorsman reported a slight fall in profits due to difficult trading conditions in Holland, and the strong pound.

The group is increasing its retail tyre and exhaust operation in the UK and Europe, and two depots will open shortly, one in Paris and one in Essen. A further 14 are being developed in the UK and the group is well-placed to maintain its position as market leader, he says.

Turnover for the year climbed from £11.53m to £15.81m.

WARNFORD INVS.

In yesterday's report on Warnford Investments, the property investment group, an extraordinary credit of £750,324, being the net surplus on disposal of properties and investments, was incorrectly shown as a debit due to an agency error.

Carless Capel flourishes in healthy oil market

IN A very short oil market, pre-tax profits of Carles, Capel and Leonard have jumped by £3.69m to £6.27m for the year to March 31, 1980.

The directors report that industrial recession, a very mild winter, leading to some product surpluses, and rising inflation resulted in a lengthening of the market early in 19[illegible] a consequence some prices started to weaken but, although operating margins have fallen from last year's exceptional levels, they remain very healthy.

The board proposes to continue to expand the company's oil and gas exploration activities and it has negotiated participations of between nine and 12.5 per cent in three groups which intend to apply for licences in the UK seventh round.

Turnover for 1979-80 rose sharply from £38.49m to £63.74m and pre-tax profits were struck after exceptional items of £630,000 (£300,000). Tax took £2.29m (£0.53m) and an extraordinary debit £370,000, leaving the attributable balance at £3.6m compared with £2.04m.

Earnings per 10p share gained 4.9p at 10.1p and the total dividend is hoisted from 1.0289p to 2.5p net, with a final payment of 1.7p.

Due to the rapid increase in oil prices during the year, current cost adjustment will reduce the reported profits by some £3m. Nevertheless, the inflation adjusted pre-tax profit is still more than 78 per cent higher than last year.

● comment

In the sometimes mystical world of secondary oil exploration companies, Carless Capel and Leonard seems to be on firmer ground than others. This is because it derives more than 70 per cent of its earnings from its refinery business. With a 40 per cent UK market share in hydrocarbon solvents it has a reasonably good source of revenue. Although the group's pre-tax rise is impressive, £3m of the advance stemmed from stock profits. Heading for the interim stage, the company should achieve around £2m, but additional stock profits could alter this. The confirmed oil find at Humbly Grove and plans to join with BNOC and Gulf in Seventh Round bidding mean that the board sees oil as an important part of its future. The final dividend was increased beyond the forecast figure and the yield at 148p comes to 2.4 per cent. The p/e on a full tax charge is 19.5, a rating which reflects market expectations about the onshore find in Hampshire.

Laporte stronger and set to seek new opportunities

THE FINANCES of Laporte Industries have been put on a good footing and the group is able to seek new opportunities for expansion as a result of last year's £10.6m rights issue says Mr. R. M. Ringwald, the chairman. As known about 58 per cent of the issue was left with the underwriters.

At the end of 1979 net total borrowings were down from £11.77m to £9.77m, excluding debentures. Of capital expenditure, which during the year reached £6.97m (£6.28m), some £8.5m had been approved but remained to be spent.

The group has started the current year reasonably well following last year's growth in taxable profit from £12.14m to £16.87m, and it is continuing with its restructuring and reorganisation programme.

The board has decided not to proceed this year with a revaluation of land and buildings and of Interox's assets but indications are that they currently exceed book value.

A valuation of the principal Interox companies, except those in Brazil, on January 1, 1979, threw up a £31.37m surplus over the £11.16m book value, which has been taken to reserves.

On the basis of SSAP 16 current cost profit for 1979 emerged at £7.36m (£6.39m) after £3.94m (£4.54m) additional depreciation, £4.88m (£0.86m) extra cost of sales and £2.45m (£1.15m) monetary working capital adjustment less £1.76m (£0.8m) for gearing.

During the year £56,000 was paid to a director for loss of office.

As reported with the results net dividend is lifted to 8.75p (7.55425p).

Meeting, Chartered Insurance Institute, EC, on June 6, noon.

No dividend by British Northrop

ANNOUNCING A pre-tax loss of £632,523 for 1979, compared with £115,584 profit previously, the directors of British Northrop say that the present difficult trading conditions make it hard to be optimistic about the short- and medium-term prospects of this textile machinery and estate development company and therefore no dividend is to be paid. The 1978 payment was 2p net per share.

Turnover for the year dropped from £3.15m to £1.78m and the loss was struck after interest up from £236,569 to £359,683. Tax on property income takes £9.136 (£37,390) and loss per 25p share was 36.9p (earnings 4.5p).

The absence of firm orders for textile machinery caused the company to examine its productive capacity an dto reduce the scale of its operations. Reductions have been made in the size of the labour force and consolidated into a more realistic unit which will remain viable under existing circumstances.

As a result of a review of the rate of movement of stocks of traditional spare parts, a further provision has been made to write down existin gstock values. Extraordinary debits of £387,102 (£258,000) comprise the whole of the re-organisation costs and this stock provision.

Following these measures, textile machinery results for the first quarter of 1980 have shown a significant improvement.

Rental from the industrial estate has risen to over £250,000 per annum, while development expenditure has given the company a good range of machinery with which to exploit any market recovery.

IN BRIEF

SCOTTISH NORTHERN INVESTMENT TRUST—Pre-tax revenue £2.47m (£2.11m) for year ended March 31, 1980. Dividend 3.14p (2.533p adjusted) net per 25p share with 1.94p final. Earnings 3.15p (2.59p). Net asset value 101.4p (102.63p). Tax £774,980 (£710,643).

ABERDEEN INVESTMENTS—Final 2.3p making 3.5p (2.85p) net per 25p share for year to March 31, 1980. Pre-tax revenue £105,566 (£91,213). Tax £33,629 (£31,451). Net asset value per share 90.0[illegible]p (79.4p).

PENNINE COMMERCIAL HOLDINGS (vehicle retailer)—Turnover for year to January 31, 1980, £3,278,168 (£1,347,852). Pre-tax profit £10,172 (£9,408). Tax £49,000 (£8,874). Extraordinary credit £11,819 (nil). Loss per 10p share 0.34p (earnings 0.007p). Group currently negotiating for sale of its two garages operated by Hughes and Bolton, and John Fewster. pm.

MARITIME INSURANCE COMPANY—Premium income for 1979 £4.06m (£3.9m). £323,000 loss (£749,000 profit) transferred to profit and loss account. Profit before tax £698,000 (£1.46m). Tax £369,000 (£762,000). Retained £1.82m (£1.87m). Investments £8.26m (£8.19m), current assets £9.55m (£9.19m), liabilities and provisions £10.68m (£10.47m).

LONDON AND LENNOX INVESTMENT TRUST—Final dividend 1.9p (1.55p), making a total of 2.45p (2p); net revenue £350,530 (£259,153); dividends absorb £289,697 (£235,789); stated earnings per 25p share 2.96p (2.2p); total assets at market value £9.12m (£11.46m). Meeting, 2 St. Mary Axe, EC, June 18 at 11.30 am.

BRISTOL WATERWORKS CO.—Net revenue for year to March 31, 1980, £1.56m (£1.62m for 15 months) after depreciation £1.04m (£1.24m), tax £0.78m (£0.99m) and transfer to contingency fund £0.12m (£0.14m). After dividends on preference, 4.9 per cent maximum consolidated ordinary and 3.5 per cent maximum ordinary stock, £1.2m (£1.51m) is carried forward. Deficit for the year, £0.32m (£0.39m). Board considers balance carried forward of £1.2m satisfactory, but its level will be kept under review. Meeting, Bristol, June 30, 12.30 pm.

BROWN AND JACKSON (building and civil engineering contractor)—Results for 1979 with prospects reported April 11. Group fixed assets £3.95m (£2.6m), net current assets £5.29m (£3.54m). Shareholders' funds £9.3m (£4.48m). Meeting, Preston, May 29, noon.

CITY OF OXFORD INVESTMENT TRUST—Revenue for year ended March 31, 1980, £321,025 (£244,893) before tax £100,031 (£85,290). Earnings per 25p share, excluding non-recurring Shell dividend, 4.94p (3.91p). Final dividend 3.72p including special 0.47p, making net total 5.47p (2.85p). Net asset value 102.9p (114.8p) per share.

MINET HOLDINGS (insurance broker)—Results for 1979 and prospects reported April 11, 1980. Net current assets £11.07m (£13.24m), decrease in working capital £2.35m (£1.44m). Meeting, Abercorn Rooms, Liverpool Street, EC, May 23, noon.

RANSOMES AND RAPIER (engineer, ultimate holding company is Central and Sheerwood)—Results for 1979: Turnover £23,434 (£20,122,171); pre-tax profit £1,427,463 (£2,440,941).

THIRD MILE INVESTMENT CO.—Results for 1979: Final dividend 0.7p (0.5p) for a total of 1.225p (1.005p). Turnover £763,934 (£523,189); pre-tax profit £101,715 (£75,966); tax £38,512 (£25,885). Stated earnings per 25p share 2.31p (1.83p).

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¾	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	55½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Algeria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصيل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Nixdorf is taking on IBM

NIXDORF is moving into a new range of computers backed by its large market base of small and medium-sized systems, which are used for distributed processing tasks by large organisations and for a variety of other applications by small and medium-sized business.

This new range has a higher capacity than previous Nixdorf products and brings the group into a market dominated by IBM, the company has announced in Paderborn, West Germany.

The first step involves offering alternative software to IBM users. In pursuit of this aim, Nixdorf has taken over an American software house with an established reputation for developing and maintaining IBM-compatible operating systems.

This software entry by Nixdorf into the mainframe market, according to vice-president Klaus Luft, was a direct result of the growing importance of operating systems and application programs.

In order to meet this user demand, the Nixdorf Computer Software Company had been formed after the takeover of the American TCSC software house in Richmond, Virginia. A total of DM 20m ha dso far been invested in the acquisition of TCSC

Nixdoryf is offering alternative software to users of IBM/360 and /370 systems as well as the 4300.

Nixdorf will follow up its software entry into the mainframe market by launching its own large computer systems later this year. These systems—in the price range starting at DM 350,000—will be compatible with IBM computers, enabling customers switching from IBM to Nixdorf to continue using their existing software. The ultimate objective is to offer Nixdorf users a complete hardware/software range from which they can meet al lor just part of their data processing requirements, as needs dictate.

This move up-market, said Klaus Luft, was consistent with Nixdorf philosophy and based on a "proven product strategy." In addition to acquiring customers from the IBM domain, he said, Nixdorf was hoping to increase business from its own customers moving up into the mainframe market. To handle the new activities, Nixdorf has set up a new branch—Compatible Information Systems/C.I.S. in Munich under the management of Gerd Wagner (39).

Further from Nixdorf at the Hounsnow Centre, 1 Lampton Road, Hounslow, Middx.

● ASSEMBLY

Rebuilding of diesel engines

TO MEET demand for completely rebuilt and guaranteed diesel engines at prices some 30 per cent less than new units of the same make and type, Nicol and Andrew has stepped up production and testing processes at its Hillington plant, near Glasgow. The new facilities are now in production on a modernised flow-line principle.

Nicol and Andrew operates two plants heavily committed to this business: one in Feltham, Middlesex and that in Glasgow and between them they have been remanufacturing about 500 engines per year of between 1½hp and 250hp for industrial and some marine applications. In addition N and A sell about another 150 new engines each year.

With the latest facilities at Glasgow, Nicol and Andrew predicts that production for its rebuild and exchange scheme will grow to about 1,000 engines a year from the two existing factories.

Production bays tend to be dominated by Lister engines.

Emphasis is apparent in the Glasgow plant on the exchange service for Lister LT single-cylinder air-cooled engines of 2¼ to 7hp used extensively by plant hire companies, construction operations, for dumper vehicles, tractors, lighting sets and for small boats—fishing, etc—where immediate replacements are necessary. Also undertaken is the conversion of LT Mk I engines to incorporate latest Mk II features.

● METALWORKING

Halves power for extrusions

A MARK 3 version of a "Conform" extrusion machine has been designed by the Sprinfields Laboratories of the UKAEA's Northern Division. It is expected to be particularly suitable for the continuous extrusion of aluminium architectural section products at an overall efficieny that oud greatly reduce the cost compared with conventional methods of extrusion. It will be able to take feedstock of 50 mm diameter rod or continuously cast section.

Mark 3 is considerably bigger than any previous models of the Conform machines that have recently begun to move into industry in different parts of the world. The Conform process makes use of the friction which normally exists between the billet and the container in conventional extruding, both to feed metal up to the die and to generate the pressure necessary for extrusion to occur. A groove in a driving wheel acts as the three sides of the container for the feerstock, whilst the stationary fourth side holds the die assembly.

At the wheel rotates, the drag of the stationary side cancels out the effort of one of the moving sides, but there is a net effort of the remaining two moving sides to generate, through sliding friction, temperatures in the metal of up to 450 degrees C, coupled with pressures up to 10 kilobars.

The metal therefore flows through the die and in this way sections of any length can be produced continuously.

Since the idea was first introduced in 1972, about 20 Conform machines have been delivered for use in different parts of the world, but a further 10 machines will be installed during 1980, indicating that the process is now being adopted at an accelerating rate.

The process is applicable to extrusion in aluminium, copper, magnesium, zinc, precious metals and alloys of these materials and can produce a very wide range of sections. Finned tube or flat section tube and other hollow sections can be extruded without difficulty in aluminium. Copper tubing has also been produced.

A valuable recent development is the use of Conform machines with feeds of metal granules, powders and scrap from a hopper, cutting out several processes compared with conventional recovery methods. Scrap is consolidated into solid material during the very process of extrusion without the need to melt, cast and roll it into billets or rods.

The economy expected from the Mark 3 version is impressive. The Mark 3 would be continuous in operation compared with the 46 per cent idle time calculated for sequential extruding on a conventional 6 inch press. This could give 2 tonnes of throughput per hour, twice as much as the standard press. Power consumption is expected to be 250kW instead of 500kW per tonne, while the capital cost is likely to be about the same.

The UK AEA has two UK licencees with rights to sell worldwide, even though there are also licensees in the U.S. and Japan. The Springfields Laboratories carry out development work on a fee basis for companies wishing to adopt Conform methods of extrusion, handing over the new designs to the licensees for manufacture of the final plant.

For further details, contact Advanced Metal Forming Group, Springfields Nuclear Laboratories, UKAEA Northern Division, Springfields Works, Salwick, Preston PR4 0RR

● HANDLING

Forklifting plastic drums

MANHANDLING OF plastic drums is not only costly—because it is time consuming and labour intensive—it can also be dangerous. In the case of accidental mishandling, or spillage, stock losses can occur and there may be a risk of contamination by toxic or corrosive chemicals.

Use of forklift attachments for loading and unloading of steel drums is common in industry and now the same facility is available for lifting and handling plastic drums, says Bauer, 14, Broadway, St. James's, London, S.W.1 (01-222 5483).

The company's heavy duty steel device has been constructed to standards of safety decreed by the West German Industrial Approvals Board and attachments are available with a 360 kg single, or 720 kg double (twin), drum lifting capacityl. Once the forks are located and secured in position with screw clasps, they are operational within seconds.

Both plastic drum lifters incorporate a specia ltrigger mechanism which allows fully automatic operation using the weight of the drums to draw the base clamps together.

● COMPONENTS

Re-arranged keyboards on trial

FROM TIME to time formations of typewriter keys other than the standard "qwerty" layout are suggested and even though they may represent an ergonomic improvement they have never been used due to the totally established nature of typewriters and typists.

But word processing is another matter: such machines will not necessarily be operated by people with normal typing training so that perhaps the opportunity exists to try something else.

Such is the view taken by a new company called PCD Maltron which has designed a keyboard that has four clusters of keys, one for the four fingers and one for the thumb of each hand. The keys do not lie on a plane surface as in a normal board but on the surface of four depressions in effect "scooped out" of the keyboard's surface. The key heights have thus been made to fit the lengths of the fingers; the thumbs, which have six keys each to operate, are fully utilised.

The Department of Industry has allocated 12 of the keyboards to various companies in the UK to be used for one year

More from PCD Maltron, Invincible Road, Farnborough, Hants (0252 511001).

● INSTRUMENTS

Measures the strain

THE SPECIMEN is left completely untouched in an optical strain measuring instrument put on the market by Instron, Coronation Road, High Wycombe, Bucks (0494 33333).

It will be particularly useful with materials such as rubber, thin films, plastics, titanium and other delicate materials where the weight of a conventional extensometer or its fixing would distort the test piece and affect the readings obtained. The instrument is also useful for materials such as cord, belting and fine wires where a long length has to be used to produce accurate results.

Basis of operation is two optical heads carrying the light projector and imaging systems, operating in conjunction with photodiode sensors so as to follow the edges of contrasting marks defining the ends of the gauge length on the specimen.

Gauge lengths of 10 to 500 mm can be accommodated with seven switchable strain ranges from 10 to 1,000 per cent. Resolution is five microns and the maximum following speed is one metre/min.

★

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

Provides production information

A FURTHER software application package has been introduced by Business Computers (Systems) and is designed to bring computerised production control within the reach of companies turning over as little as £100,000.

It is known as MIPS (manufacturing information processing system), is designed to run on the companys hardware offerings, the Diablo 3000 and Ranger 3200 business computers. MIPS costs £1,000; a complete system consisting of Diablo 300 microcomputer and MIPS is prived at just under £10,000.

The Diablo takes the customary form of desk-top machines with crt screen to the left; disc units to the right and keyboard below.

Ease of use is emphasised by the company, even for those with little or no experience of computers. Messages appearing on the screen guide the operator through data entry, processing and printing procedures, and at any time managers may make enquiries of all files held on the discs, virtually at the touch of a button.

The operator can set up and maintain a comprehensive parts file containing details of all items either bought in or manufactured on site, at all levels from components through subassemblies to final products.

At the heart of MIPS is the structure file and parts list maintenance module which obviates typing in of individual parts lists for all the subassemblies and final products: substantial time saving is claimed. The operator merely tells the machine which parts are linked to related subassemblies and MIPS then builds a chain of connected parts.

Trial production runs can then be carried out to test plans; once the production run is committed stock levels will be automatically changed, component shortages highlighted and the jobs causing shortages indicated.

Other modules cover purchase order processing and bill of materials reporting.

More from the company at The Pagoda, Theobald Street, Borehamwood, Herts., WD6 4RZ

New service in operation

SET UP in co-operation with W. H. Smith Computer Services is a new group—Great Western Computing. The service will be run on ICL 2900 range hardware at the W. H. Smith centre in Swindon with communications access via the latter's existing country-wide network.

Based on a £6m ICL 2900 installation, Great Western will have the largest VME/B resource available to users on the commercial market, as the only 2900 bureau using a full dual processor system.

The decision to separate the bureau service from W. H. Smith was taken by both companies in order to give the service side a more independent line of development and expansion.

Initially the service will provide production and development resources for VME/B and George III users although negotiations are in hand with various software houses regarding the availability of suitable application packages.

Great Western, Keynes House, 112 Cricklade Road, Swindon, Wilts, SN2 6AG. 0793 36271.

Gathers data for the micro

DEVICES THAT can capture analogue signals, multiplex and digitise them so that they can be processed by microprocessor or minicomputer have been developed by Burr-Brown International, 11 Station Road, Watford, Herts WD1 1EA (0923 33837).

They can interface directly to the 8080A 8048, Z80 and SC/MP micros and to a number of others with the addition of some extra logic. They are also compatible with the PDP8 and 11, Nova and Eclipse minis.

These devices are hybrid circuits and are contained in 80 pin packages measuring 55 x 44 x 6 mm. They contain a 12-bit analogue to digital converter, instrumentation amplifier, input multiplexer, address decoder and control logic.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or –	Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
28½	25	Met. Wtr. 3pc 'B'	27¼	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	55½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
£76½	£56	Algemene Fl.100	£65	.....	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	335	.....	21.5	—	8.6	—
128	105	Allied Irish	106	+3	hQ8.09	—	7.4	—
17	13	Ansbacher (H.) 5p	16¼	–¼	—	—	—	—
230	180	Arbuthnot L. £1	238	.....	†10.42	—	6.5	—
360	298	Bk. Ireland £1	300	–2	Q23.51	—	7.9	—
£162	£145	Do. 10pc Conv.	£145	–5	Q10%	—	(7.0)	—
*8	5	Bk. Leumi $0.1	6	.....	Q11.4%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	.....	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	159	–3	Q16c	ϕ	6.0	ϕ
305	235	Bank Scotland £1	243	–2	15.0	5.1	8.8	3.1
£20¼	£16¼	Bankers N.Y.$10	£19⅝	+⅛	Q$3.30	—	7.6	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

CHEMICALS, PLASTICS

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfort Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Algeria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8025

EOE expects to break even by 1981

BY CHARLES BATCHELOR IN AMSTERDAM

THE EUROPEAN Options Exchange (EOE) expects to break even by the end of next yera. Its backer, the Amsterdam Stock Exchange, hs agreed to continue to meet operating losses in 1980, said Mr. Ewold Brouwer, the EOE chairman.

The EOE, which has been unable to reach the hoped-for trading volumes, made an operating loss of Fl 3.5m ($1.8m) in 1979. This increases to Fl 4m when the losses of the clearing organisation are taken into account—despite a subsidy and a waiver of loan interest by the Stock Exchange.

The board of the EOE believes that it will emerge as a financial success within the three-year term it set itself last year, said Mr. Brouwer. It expects to achieve daily turnover of 3,000 contracts this year after reaching 1,900 in 1979, which was above 1,750 originally forecast.

The EOE is still heavily dependent on Dutch shares for most of its turnover: Royal Dutch Petroleum accounted for 29 perc ent of trading in "call" options last year and for 45.5 per cent of "puts." British and French options are barely traded, while Petrofina is the only Belgian stock to arouse significant interest.

To increase te attractiveness of German options, which were introduced earlier this year, the EOE intends to reduce commissions while the way in which trading is organised will be "adapted more closely" to the needs of German, Austrian and Swiss investors.

The plan by the Amsterdam bourse to start trading U.S. stocks in dollar form within the next few months should also increase interest in the EOE. Interest is expected throughout Europe since this provides the opportunity to trade U.S. stocks on an official bourse six hours before New York trading starts, said Mr. Brouwer. Put options in U.S. stocks will be considered if there is demand. The EOE has also applied to the Dutch Finance Ministry for approvel to trade options in bonds.

Total EOE turnover in 1979 was 476,593 contracts, of which 82 per cent were "calls." "Puts" are only possible in Dutch options while among the "calls" Dutch stocks accounted for 92 per cent of trading, U.S. stocks for 6 per cent, Belgian stocks for just over 1 per cent and French stocks for just under 1 per cent.

Relief at Spanish bank salvage

By Robert Graham in Madrid

THE SALVAGE operation of the Banco de Madrid has been greeted with a sigh of relief by the Spanish banking community. The fate of this medium-sized bank had been the most worrying topic facing the banking community this year.

The rescue involves Spain's leading bank, Banesto, acquiring an 80 per cent stake in Banco de Madrid through a Pta 10bn ($142m) injection of new capital. Banco de Madrid has a capital of Pta 4.2bn ($60m) and reserves of Pta 2.4bn ($34m).

At the same time Banco de Madrid's industrial banking affiliate, Cadesbank, will be hived-off, its Pta 2.6bn capital will be written-down and then recreated to Pta 3bn through funds provided by the Government's Deposit Guarantee Fund. Cadesbank will then probably be sold to Banesto for a nominal sum.

Banco de Madrid is the largest bank to get into difficulties, possessing deposits of Pta 80bn. There were fears that its fate could seriously shake confidence in the banking system which has witnessed one bankruptcy and five salvage operations in the past two-and-a-half years.

Banco de Madrid's difficulties stemmed largely from its involvement in a number of industrial ventures badly hit by the recession. One of the largest loss-makers in its portfolio is the Malaga-based textile concern, Intelhorse.

GERMAN STEEL INDUSTRY

Two tough years ahead for profits

BY ROGER BOYES IN BONN

WEST GERMAN steel producers are a stoic and sober breed. When demand for crude steel soared last year, their first reaction was to reach for the electronic calculator rather than the champagne bottle.

They now believe that their caution has been vindicated by the range of first quarter results which reveal some distinctly depressing trends. The message, relayed during the present season of shareholders' general meetings, is clear enough: the steel crisis is still with us and is likely to leave its mark on results at least for the next two years.

Profit margins, they warn, will be under siege this year, demand for crude steel has already begun to flag; there is still a serious over-capacity in Europe; U.S. producers are making protectionist noises and international uncertainties still dog the fortunes of every major German steel company.

The problem is that expectations were raised by the steel revival last year and company management has to steer the shareholders and workforce away from their natural wish to share in the improved earnings.

The figures certainly lend strength to the shareholder's case: crude steel production rose by almost 12 per cent to 46m tonnes, special steels output increased by 10 per cent and rolled and rolled steel products by 8.7 per cent. Capacity was more stretched at 70 per cent than for almost four years and most steel divisions approached the profit threshold again for the first time since the mid-1970s.

This has naturally helped in addition, orders in hand reached record levels—5m tonens in the autumn of 1979—which kept business buoyant early this year. All of this has given strong boost to both ailing steel concerns and to the more successful.

German producers have adapted well to the steel crisis so far. Many of them have diversified from crude steel which gives them a certain competitive security

Thus Kloeckner-Werke used the steel revival to launch major capital reorganisation which it believes will take it out of the red this year. It reckons on the resumption of dividend payments next year.

Salzgiter, the state-owned steel group, managed—due to good results in the crude steel division—to reach a balanced result.

Hoesch used its improved result to persuade the government to give it a cheap loan to carry through some modernisationmoves, holding out the hope of a relatively quick return on investment.

Thyssen, the largest and most successful German steel group, increased profits from DM100m to DM167m ($93.30m).

But the boom, argue steel producers, is not a boom at all. True, crude steel production in the first quarter was 7.3 per cent up on last year at 11.6m tonnes. But domestic orders are already beginning to show signs of slackening and will certainly not pick up in the course of the year. Market anlysts estimate that production will at best reach 44m tonnes and could drop as low as 41m tonnes (that is almost the 1978 level).

The management boards of the German steel companies have thus had to speak to several audiences in several different—though not necessarily forked—tongues. In the first place, the shareholders have to be convinced that dividend payouts (in those concerns that are still issuing them) have to be kept at a low level if investment si to be increased.

This has made for some particularly stormy general meetings with Thyssen shareholders, for example, especially critical of the DM 4 per share dividend—unchanged for several years.

At the same time, the workforce has had to be assured that business is not as good as it seems and that wage increases have to be restricted otherwise labour may have to be cut even more than planned. Surprisingly, the IG Metall Workers union fell into line on this and this spring settled for .8 per cent, instead of the 10 per cent they had demanded.

Higher labour costs coupled with extremely high production costs—the price of scrap for example continues to hit the special steels producers—have eaten into margins. As a result, the steel companies have had to try to persuade their customers to accept yet more price rises this year.

The German steel producers live in a complicated world. But they have adapted well to the crisis so far. In the mid-1960s for example 85 per cent of crude steel production was in the hands of 17 separate concerns. Now only six produce 80 per cent.

Many have diversified from crude steel — Thyssen, for instance, is now more (in terms of turnover) a trading and services concern than a crude steel producer. This has given the companies a certain competitive security—but they are reconciled to facing two very tough years.

Increased sales from Buderus

By Our Bonn Staff

BUDERUS, THE German foundry and steel concern, managed to boost turnover and profits last year. However, the company, one of the principal pillars of the Flick group, is expecting slower growth in 1980.

Sales increased by over 10 per cent to DM 1.4bn ($782.12m) while profits of DM 24.5m were transferred to Flick. The remaining profits of DM 330,000—roughly the 1978 level—would be distributed to the remaining shareholders in the form of a dividend of 12 per cent. The export share of turnover increased from 13.6 per cent to 15.7 per cent.

Higher crude steel production in Germany and other European countries last year pushed up demand for Buderus's ingots and other foundry products. Similarly the boom in the automobile and construction machinery sectors strongly benefited the company's foundry product division. Direct demand from the building industry was static but central heating production did well.

The company has already begun to fel the effects of a "cooling-off" in the motor sector. This may be partly offset by increased demand in the small cars division and by orders from abroad. None the less the overall picture is that German growth overall is only likely to be about 2.5 per cent rather than last year's 4.5 per cent.

Kenana issue oversubscribed

BY ALAN DARBY IN KHARTOUM

THE major Sudanese and Arab shareholders in the Khartoum-based Kenana Sugar Company have indicated they will take up more than their pro rata entitlements to new shares offered by the company as part of a major capital restructuring.

The Arab support for the company, which operates the largest sugar scheme in the world on the White Nile river, 180 miles south of Khartoum, comes in the face of complex legal manoeuvres by Lonrho. The London-based trading conglomerate is trying to reverse a change in the company's Articles of Association which prevents Lonrho representation on the Kenana Board because the UK company's shareholding is less than 4 per cent.

Kenana's offer of 130m "A" shares has been oversubscribed by "close to S£20m ($25m)" and options on the 120m "B" shares, created through the conversion of shareholders' loans to equity, have all been taken up.

Lonrho, which conceived the project and managed the company until 1977, says the amendment of the Articles of Association violates the 1975 founders' agreement, and that it is not entitled to increase its shareholding to the 4 per cent level under the rules governing the issue of the new shares, which are in proportion to existing shareholdings.

Kenana says the founders' agreement, signed at a time when the company's authorised capital, now S£330m, stood at only S£10m, and when Lonrho had the management contract to run Kenana, has long ceased to have relevance.

Lonrho's avowed aim is to regain a seat on both the Kenana Board and the executive committee by invalidating the recent shareholders' votes changing the articles.

The three cases heard by Sudan's Court of Appeal and the Khartoum Province Court (Lonrho has won two and lost one) have been confined to matters of jurisdiction and the courts have yet to deliberate upon Lonrho's case concerning the founders' agreement.

Mr. Andrew Macaulay, the Lonrho executive who has been representing his company in Khartoum, is understood to have told Kenana that Lonrho does not wish to sell its shares. He has said that the founders' agreement was embodied in Kenana's articles of association and that "we still have a strong case."

Kenana sources say the company's articles of association did not make either the company or *its* shareholders a party

Johnson HAB out of red as sales soar

BY VICTOR KAYFETZ IN STOCKHOLM

JOHNSON AND CO. HAB, the main trading company within the Axel Johnson Group—Sweden's largest privately-owned business after Volvo—recovered last year from a pre-tax loss of Skr 5.8m to a profit of Skr 49.8m ($11.8m) on turnover, 69 per cent higher at Skr 5.03bn.

The major rise in sales resulted from both price and volume increases in the product groups oil, ore and metals, and stainless steel, while earnings climbed as a consequence of general economic conditions, the preliminary report states.

Excluding minority shares but counting earnings from associated companies, the Swedish-based trading group, which includes subsidiaries in several countries, showed a profit after extraordinary items of Skr 59m against a 1978 loss of Skr 3m. This was despite losses last year of Skr 27.8m from the subsidiary, Irano Swedish Company.

The separately administered trading group, A. Johnson and Co., Inc.,—which operates in the U.S.—recorded earnings of Skr 292m on turnover of Skr$ 2.96bn.

Earnings of the American group improved in all areas: oil, steel and metal, engineering products and shipping.

The report predicts a satisfactory profit this year for both two groups, but "general economic conditions are not expected to be such as to permit the good earnings of 1979 to be achieved."

Late in 1979 the Swedish-based group acquired Trent Tube B.V. of Molland, one of Europe's largest makers of welded stainless steel tubes. It also bought steel distributors in Holland and Sweden, a 25 per cent stake in Sweden's Nynäs Petroleum and a 10 per cent stake in the Swedish stainless steel company, Avesta Jernverks. The latter two companies were already part of the Axel Johnson group.

The Swedish trading company's subsidiary, A. Johnson and Company (London) Limited bought the British firm George Meller Limited, which distribute and sells valves, pumps and other heavy equipment in the UK.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or -	Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¾	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	55½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
£76½	£56	Algemene Fl.100	£65	.....	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	335	.....	21.5	—	8.6	—
128	103	Allied Irish	106	+3	hG8.09	—	7.4	—
17	13	Ansbacher (H.) 5p	16¼	-¼	—	—	—	—
230	180	Arbuthnot L. £1	238	.....	†10.42	—	6.5	—
360	298	Bk. Ireland £1	300	-2	Q23.51	—	7.9	—
£162	£145	Do. 10pc Conv.	£145	-5	Q10%	—	(7.0)	—
*8	5	Bk. Leumi $0.1	6	.....	Q01.4%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	.....	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	139	-3	Q16c	φ	6.0	φ
305	235	Bank Scotland £1	243	-2	15.0	5.1	8.8	3.1
£20¼	£16¼	Bankers N.Y.$10	£19⅝	+⅛	Q$3.30	—	7.6	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81. Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128. Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045. Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72. Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأجيال

CURRENCIES, MONEY and GOLD

Sterling firm

Sterling continued to improve yesterday in trading sharply curtailed by the closure of many European centres for Ascension Day. The pound's trade weighted index rose to 73.5 from 73.1, having stood at 73.3 in the morning and 72.2 at noon. Against the dollar it opened at $2.2925 and eased initially to $2.2890 as the dollar improved slightly. However, the trend was reversed after a speech by Mrs. Margaret Thatcher stressing that UK interest rates were unlikely to decline while bank lending remained high. This boosted sterling to a best level of $2.3040, and it closed at $2.3000-2.3010, a rise of 1.2 cents from Wednesday, and its best closing level since February 14.

The dollar showed little overall change on balance, losing slightly to the D-mark, but closing a little firmer against the Swiss franc. It finished at DM 1.7905 compared with DM 1.7920, and SwFr 1.6630 against SwFr 1.6610. On Bank of England figures its trade weighted index rose slightly to 85.3 from 85.2.

In New York the U.S. unit continued to show little movement, with Euro-dollar rates holding steady. Sterling was quoted just above $2.30 but then slipped back to $2.2990.

JAPANESE YEN—Energy and balance of payments problem reflected in sharp decline last year. Although the situation over oil supplies remains uncertain, easier U.S. interest rates have helped the yen recover—The dollar eased against the yen in Tokyo yesterday, closing at Y227.40 compared with Y228.35 on Wednesday. Initially the yen had weakened on news of Saudi Arabia's decision to increase its oil prices, but the dollar soon came on offer after reaching a high of Y229.60.

GOLD

Gold lost $7 an ounce in the London bullion market yesterday to close at $516-521. Trading was extremely quiet with most of Europe closed for Ascension Day. The metal opened at $513-518 and was fixed during the morning at $516.25. The afternoon fixing showed little change at $517.00. There was little activity when U.S. centres joined the market, and there appeared to be no reaction to the cut in margins on metals in the New York Comex market. Dealers suggested that further reductions in margin requirements were generally expected in a bid to regain some of the trade lost earlier this year.

	May 15		May 14	
Gold Bullion (fine ounce)				
Close	$516-521	(£225-227)	$523-528	(£228¼-230¾)
Opening	$513-518	(£223¼-225¼)	$517-522	(£226-228.1)
Morning fixing	$516.25	(£225.191)	$518.50	(£226.667)
Afternoon fixing	$517	(£225.174)	$525	(£229.307)
Gold Coins				
Krugerrand	$531-534	(£230½-232½)	$538-543	(£236-237½)
Mapleleaf	$522-532	(£226-231)	$530-540	(£231½-235¾)
New Sovereigns	$132-133	(£57¼-58)	$132-133¾	(£57¾-59¾)
King Sovs	$152-156	(£66½-67½)	$140¾-145¼	(£61½-63½)
Victoria Sovs	$152-156	(£65½-67½)	$145-147½	(£62½-64½)
French 20s	$137-140		$137-141	
50 pesos Mexico	$642-650		$653-658	
100 Cor. Austria	$509-515		$517-522	
$20 Eagles	$625-635		$633-637	
$10 Eagles	—		—	
$5 Eagles	—		—	

THE POUND SPOT AND FORWARD

May 15	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2890-2.3040	2.3000-2.3010	1.42-1.32c pm	7.15	3.62-3.52 pm	6.21
Canada	2.7010-2.7115	2.7095-2.7105	0.95-0.85c pm	3.98	3.25-3.10 pm	4.68
Nethlnd.	4.50-4.54½	4.53-4.54	2⅞-1⅜c pm	5.29	6⅞-5⅞ pm	5.62
Belgium	65.80-66.35	66.25-66.35	14-4c pm	1.63	35-25 pm	1.81
Denmark	12.83-12.90	12.88-12.89	3-4½ore dis	−3.43	6½-7⅞ dis	−2.21
Ireland	1.1035-1.1100	1.1080-1.1090	0.06-0.02p pm	0.43	0.28-0.23 pm	0.92
W. Ger.	4.10-4.13½	4.11¾-4.12¾	3¼-2¼pf pm	7.64	7⅞-6⅞ pm	7.15
Portugal	112.50-113.50	113.15-113.35	5c pm-30 dis	−1.32	par-85 dis	−1.68
Spain	162.70-163.50	163.40-163.50	28-87c dis	−4.16	85-182 dis	−3.27
Italy	1,928-1,937	1,934½-1,935½	½lire pm-1½ dis	−0.31	½ pm-1½dis	−0.10
Norway	11.23-11.28	11.27-11.28	2⅛-1 ore pm	1.73	11½-9½ pm	3.68
France	9.57-9.64	9.62½-9.63½	4-3c pm	4.36	11-10 pm	4.36
Sweden	9.68-9.71	9.69½-9.70½	2⅞-1⅝ore pm	2.71	6⅝-5⅞ pm	2.58
Japan	517-527	523-524	2.15-1.75y pm	4.47	5.60-5.10 pm	4.09
Austria	29.20-29.40	29.35-29.40	20-17gro pm	7.56	55-45 pm	6.81
Switz.	3.79½-3.83½	3.82-3.83	4-3c pm	10.98	10½-9¾ pm	10.72

Belgian rate is for convertible francs. Financial franc 67.75-67.85. Six-month forward dollar 5.45-5.35c pm. 12-month 7.30-7.20c pm.

THE DOLLAR SPOT AND FORWARD

May 15	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2890-2.3040	2.3000-2.3010	1.42-1.32c pm	7.15	3.62-3.52 pm	6.21
Ireland†	2.0715-2.0760	2.0725-2.0735	1.35-1.25c pm	7.52	3.75-3.65 pm	7.14
Canada	1.1737-1.1802	1.1783-1.1786	0.41-0.46c dis	−4.43	0.60-0.65dis	−2.12
Nethlnd.	1.9685-1.9750	1.9690-1.9715	0.13-0.23c dis	−1.09	0.15-0.25dis	−0.40
Belgium	28.79-28.82	28.80-28.82	13-15c dis	−5.83	30-35 dis	−4.51
Denmark	5.5825-5.6100	5.5925-5.6000	4.70-5.20ore dis	−10.61	11.2-11.6dis	−8.16
W. Ger.	1.7890-1.7940	1.7900-1.7910	0.04pf pm-0.03 dis	0.03	0.50-0.40 pm	1.00
Portugal	49.15-49.28	49.18-49.28	28-43c dis	−8.65	75-115 dis	−7.72
Spain	71.10-71.20	71.10-71.16	35-55c dis	−7.59	120-155 dis	−7.73
Italy	842.00-843.00	842.25-843.00	4½-5¼lire dis	−6.94	12¾-13¾ dis	−6.17
Norway	4.9000-4.9050	4.9000-4.9050	2.00-2.40ore dis	−5.38	2.50-3.00dis	−2.24
France	4.1800-4.1910	4.1800-4.1850	0.95-1.05c dis	−2.86	2.10-2.30dis	−2.10
Sweden	4.2150-4.2240	4.2150-4.2200	1.55-1.70ore dis	−4.62	3.45-3.60dis	−3.34
Japan	227.20-228.20	227.35-227.45	0.50-0.65y dis	−3.03	0.95-1.15dis	−1.85
Austria	12.76-12.79	12.76-12.79	par-0.70gro dis	−0.33	2.75-0.25 pm	0.47
Switz.	1.6570-1.6670	1.6625-1.6635	0.60-0.50c pm	3.97	2.00-1.90 pm	4.69

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

May 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.570085	0.612442
U.S. $	13	1.30380	1.39943
Canadian $	14.17	1.53135	1.64027
Austria Sch	6¾	16.6652	17.8707
Belgian F	14	37.6185	40.3631
Danish K	13	7.31459	7.84521
D'Mark	7½	2.33509	2.50666
Guilder	10	2.57050	2.75968
French Fr.	9½	Unavail.	5.86501
Lira	15	1098.20	1179.37
Yen	9	297.589	317.111
Norwgn. Kr	9	6.41126	6.87680
Spanish Pts	8	92.7440	99.5695
Swedish Kr	10	5.50181	5.91749
Swiss Fr	3	2.16577	2.32585

CURRENCY MOVEMENTS

May 14	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.1	−32.5
U.S. dollar	85.2	−8.1
Canadian dollar	80.5	−17.6
Austrian schilling	155.5	+24.0
Belgian franc	115.3	+13.8
Danish kroner	106.4	−4.7
Deutsche mark	155.1	+44.9
Swiss franc	196.8	+79.2
Guilder	125.1	+19.4
French franc	100.7	−6.2
Lira	53.4	−50.7
Yen	125.7	+23.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

May 15	£	$		£ Note Rates
Argentina Peso	4115-4135	1793-1800	Austria	29.10-29.40
Australia Dollar	2.0325-2.0365	0.8845-0.8850	Belgium	66.85-67.45
Brazil Cruzeiro	114.28-115.28	49.935-50.135	Denmark	12.78-12.88
Finland Markka	8.47-8.49	3.6940-3.6950	France	9.54-9.60
Greek Drachma	97.936-100.216	42.65-42.95	Germany	4.09-4.12
Hong Kong Dollar	11.27-11.29	4.9020-4.9050	Italy	1890-1935
Iran Rial	n/a	n/a	Japan	521-526
Kuwait Dinar(KD)	0.614-0.624	0.2699-0.2700	Netherlands	4.49-4.52
Luxembourg Frc.	66.25-66.35	28.80-28.82	Norway	11.20-11.30
Malaysia Dollar	4.9960-5.0075	2.1730-2.2750	Portugal	108-113
New Zealand Dlr.	2.3475-2.3525	1.0210-1.0220	Spain	157¾-165
Saudi Arab. Riyal	7.58-7.68	3.3285-3.3300	Sweden	9.65-9.75
Singapore Dollar	4.9700-4.9815	2.1620-2.1640	Switzerland	3.79-3.82
Sth. African Rand	1.8175-1.8185	0.7900-0.7905	United States	2.292-2.301
U.A.E. Dirham	8.48-8.58	3.7215-3.7230	Yugoslavia	46¼-48½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3631	+1.44	+0.71	±1.53
Danish Krone	7.72336	7.84521	+1.58	+0.85	±1.64
German D-Mark	2.48208	2.50666	+0.99	+0.26	±1.125
French Franc	5.84700	5.86501	+0.31	−0.42	±1.3557
Dutch Guilder	2.74362	2.75968	+0.59	−0.14	±1.512
Irish Punt	0.668201	0.675564	+1.10	+0.37	±1.668
Italian Lira	1157.79	1179.37	+1.86	+1.64	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.301	4.123	523.5	9.630	3.825	4.536	19 35	2.710	66.30
U.S. Dollar	0.435	1.	1.792	227.6	4.186	1.663	1.971	841.1	1.178	28.82
Deutschemark	0.243	0.558	1.	127.0	2.336	0.928	1.100	469.4	0.657	16.08
Japanese Yen 1,000	1.910	4.394	7.875	1000.	18.40	7.307	8.663	3696.	5.177	126.6
French Franc 10	1.038	2.389	4.281	543.6	10.	3.972	4.709	2009.	2.814	68.85
Swiss Franc	0.261	0.601	1.078	136.9	2.518	1.	1.186	505.9	0.708	17.33
Dutch Guilder	0.221	0.507	0.909	115.4	2.123	0.843	1.	426.7	0.598	14.62
Italian Lira, 1,000	0.517	1.189	2.130	270.6	4.977	1.977	2.344	1000.	1.401	34.26
Canadian Dollar	0.369	0.849	1.521	193.2	3.554	1.411	1.673	714.0	1.	24.46
Belgian Franc 100	1.508	3.470	6.218	789.6	14.52	5.769	6.840	2919.	4.087	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.90-10.00 per cent; three-months 10.35-10.45 per cent; six-months 10.35-10.45 per cent; one year 10.40-10.50 per cent.

May 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	—	9-9¼	10-11	10⅞-10⅞	4½-4¾	9⅞-9⅞	12½-12¾	13-16	—	11½-12
7 days' notice	17⅛-17½	9½-9¾	10-11	11⅛-11¼	4½-5	9⅞-9⅞	12⅝-12⅞	15½-18	9¼-9⅜	12-12¼
Month	17⅛-17½	9⅞-10⅛	13⅛-13½	11⅛-11¼	6⅜-6½	9¾-9⅞	12⅛-12⅜	17-18	10⅛-10⅜	12⅝-12¾
Three months	17-17⅛	10¾-11	12⅝-12¾	11-11¼	6⅛-6⅜	9¾-9⅞	12¾-13	16½-17½	10⅞-10⅞	12⅝-12⅞
Six months	15¾-16⅛	10⅞-11⅛	11¾-12⅛	10⅞-11⅛	6⅛-6⅜	9⅞-9⅞	12⅞-13⅛	16-17	11⅛-11⅜	12-12¼
One year	14½-14⅞	10⅞-11⅛	11¼-11⅝	10⅞-10⅞	6-6⅛	9-9⅛	13⅛-13⅝	16½-17½	10⅞-11⅛	10⅞-10⅞

Long-term Eurodollar two years 11-11½ per cent; three years 11-11¼ per cent; four years 11-11¼ per cent; five years 11-11¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen: others two days' notice. Asian rates are closing rates in Singapore.

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Discount houses managed to balance their books without assistance from the authorities yesterday, the first time for nearly two months, in which time the market has experienced a sustained and acute shortage of liquidity. Resale to the market of a moderate number of eligible bank bills and a small net take up of Treasury bills to finance, were balanced by a moderate excess of Government disbursements over revenue transfers to the Exchequer and a small decrease in the note circulation. Discount houses were paying up to 16½ per cent for secured call loans at the start but were able to pick up balances later in the day as low as 14½ per cent.

In the interbank market overnight loans opened at 17-17½ per cent and slipped to 16½ per cent on the flat forecast before coming back briefly to 17 per cent. From early afternoon onwards however, rates fell steadily down to 12 per cent at the close.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

May 15 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Over night	—	12-17⅛	—	—	—	15½	14½-16¾	—	—	—
2 days notice	—	—	17½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¾-16⅞	17⅝-17¾	—	17¼	17½	16¾-16⅞	—	—	—
One month	17⅛-17	17-17⅛	17¼-17⅜	18½-18⅛	17⅜	17½	16¾-16⅞	15⅞-15⅞	17⅜	17⅞
Two months	17⅛-17	17⅛-17⅛	—	17¾-17½	17⅜	—	16½-16⅝	16⅛	17¼	17½
Three months	17-16⅞	16⅞-17⅛	17-17⅛	17¼-16⅞	17¼	17½	16⅝-16½	16⅛-16⅛	16¾	17
Six months	16-15⅞	16⅞-16⅛	16	16⅛-15¾	16¼	16½	—	—	16-16⅛	15⅝
Nine months	15¼-15⅛	15⅝-15½	—	16⅛-15¾	15⅝	16⅛	—	—	—	—
One Year	14¾-14⅞	14⅞-15	15⅝-15½	15½-15¼	15¼	16⅛	—	—	—	—
Two years	—	—	15-15⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14¾-15¾ per cent; four years 14½-15 per cent; five years 14½-14¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅝-16¾ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15⅞ per cent; two-months 15⅞-15⅞ per cent; three-months 16⅛ per cent. Approximate selling rates for one-month bank bills 17½ per cent; two-months 17⅛-17⅛ per cent; three-months 16⅞-16⅞ per cent; one-month trade bills 17⅞ per cent; two-months 17¼ per cent; and three-months 16¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1475 per cent.

MONEY RATES

NEW YORK	
Prime Rate	16½-17½
Fed. Funds	10⅞-11½
Treasury Bills (13-week)	8.07
Treasury Bills (26-week)	8.28
GERMANY	
Discount Rate	7.5
Overnight Rate	9.80
One month	10.075
Three months	10.20
Six months	9.95
FRANCE	
Discount Rate	9.5
Overnight Rate	12.875
One month	12.625
Three months	12.6875
Six months	12.6875
JAPAN	
Discount Rate	9.0
Call (Unconditional)	12.375
Bills Discount (three-month)	13.90625

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, May 14, 1980. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.4901
Algeria	Dinar	3.8325
Andorra	French Franc	4.19
	Spanish Peseta	71.145
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Argentine. Peso	1795.00
Australia	Australian $	0.8838
Austria	Schilling	12.7685
Azores	Portug. Escudo	49.30
Bahamas	Bahamian $	1.00
Bahrain	Dinar	0.3778
Balearic Isles	Spanish Peseta	71.145
Bangladesh	Taka	15.036
Barbados	Barbados $	2.01
Belgium	B. Franc (C)	28.847
	B. Franc (F)	29.38
Belize	Belize $	2.00
Benin	C.F.A. Franc	209.50
Bermuda	Bda $	1.00
Bhutan	Indian Rupee	7.9259
Bolivia	Bolivian Peso	25.00
Botswana	Pula	0.7834
Brazil	Cruzeiro	49.01
Brit. Virgin Isles	U.S. $	1.00
Brunei	Brunei $	2.166
Bulgaria	Lev	0.879
Burma	Kyat	6.7271
Burundi	Burundi Franc	90.00
Cameroun Repub'c	C.F.A. Franc	209.50
Canada	Canadian $	1.1723
Canary Islands	Spanish Peseta	71.145
Cape Verde Isle	Cape V. Escudo	36.51
Cayman Islands	Cay. Is. $	0.835
Cent. Af. Emp.	C.F.A. Franc	209.50
Chad	C.F.A. Franc	209.50
Chile	Chilean Peso (O)	39.00
China	Renminbi Yuan	1.4907
Colombia	Col. Peso (O)	46.27
Comoros Islands	C.F.A. Franc	209.50
Congo (Brazaville)	C.F.A. Franc	209.50
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.6292
Cyprus	Cyprus Pound	0.3529
Czechoslovakia	Koruna (O)	5.50
Dem. Rep. S'oTome & Principe	S. Tome Dobra	34.668
Denmark	Danish Krone	5.6062
Djibouti Rp. of	Djibouti Franc	166.302
Dominica	E. Caribbean $	2.7025
Dominican Repub.	Domin'con Peso	1.00
Ecuador	Sucre	28.10
Egypt	Pound (3)	0.6915
El Salvador	Colon	2.50
Equatorial Guinea	Ekuele	71.145
Ethiopia	Birr (O)	2.0855
Faroe Islands	Danish Krone	5.6062
Falkland Islands	Falkland Is. £ *	2.285
Fiji Islands	Fiji $	0.826
Finland	Markka	3.6995
France	French Franc	4.19
French C'ty in Af.	C.F.A. Franc	209.50
French Guiana	Local Franc	4.19
French Pacific Is.	C.F.P. Franc	75.93
Gabon	C.F.A. Franc	209.50
Gambia	Dalasi	1.7506
Germany (East)	Ostmark (O)	1.7913
Germany (West)	Deutschemark	1.7913
Ghana	Cedi	2.75
Gibraltar	Pound *	2.285
Gilbert Is.	Aust. $	0.8838
Greece	Drachma	42.80
Greenland	Danish Krone	5.6062
Grenada	E. Caribbean $	2.7025
Guadaloupe	Local Franc	4.19
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	33.7104
Guinea Republic	Syli	18.9125
Guyana	Guyanese $	2.5462
Haiti	Gourde	5.00
Honduras Repub	Lempira	2.00
Hong Kong	H.K. $	4.88
Hungary	Forint (O)	32.6022
Iceland	I. Krona	429.70
India	Ind. Rupee	7.9239
Indonesia	Rupiah	625.00
Iran	Rial	71.50
Iraq	Iraq Dinar	0.2953
Irish Republic	Irish Punt *	2.072
Israel	Israeli Pound (4)	43.96
Italy	Lira	842.85
Ivory Coast	C.F.A. Franc	209.50
Jamaica	Jamaican Dollar	1.7835
Japan	Yen	226.30
Jordan	Jordan Dinar	0.2978
Kampuchea	Riel	n.a.
Kenya	Kenya Shilling	7.401
Korea (Nth)	Won	0.94
Korea (Sth)	Won	583.00
Kuwait	Kuwait Dinar	0.2701
Lao P'ple D. Rep	Kip of Lib.	400.00
Lebanon	Lebanese Pound	3.4255
Lesotho	Loti	0.7911
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenstein	Swiss Franc	1.6618
Luxembourg	Lux Franc	28.847
Macao	Pataca	5.305
Madagascar D. R.	MG Franc	209.50
Madeira	Portugese Escudo	49.30
Malawi	Kwacha	0.8125
Malaysia	Ringgit	2.208
Maldive Islands	Mal Rupee	3.93
Mali Republic	Mali Franc	419.00
Malta	Maltese Pound	0.3462
Martinique	Local Franc	4.19
Mauritania	Ouguiya	41.90
Mauritius	M. Rupee	7.6615
Mexico	Mexican Peso	22.84
Miquelon	French Franc	4.19
Monaco	French Franc	4.19
Mongolia	Tugrik (O)	3.3565
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	3.8702
Mozambique	Moz. Escudo	28.4902
Namibia	Rand	0.7911
Nauru Is.	Aust. $	0.8838
Nepal	Nepalese Rupee	12.00
Netherlands	Dutch Guilder	1.9715
Netherland Antilles	Antillian Guild	1.80
New Hebrides	Aust. $	0.8838
	FNH	67.7117
New Zealand	NZ $	1.0241
Nicaragua	Cordoba	10.00
Niger Republic	C.F.A. Franc	209.50
Nigeria	Naira (O)	0.5803
Norway	Norwg. Krone	4.914
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.91
Panama	Balboa	1.00
Papua N. Guinea	Kina	0.68
Paraguay	Guarani	137.50
Peoples D. Repub. of Yemen	S. Yemen Dinar	0.3415
Peru	Sol	270.24
Philippines	Ph. Peso	7.5035
Pitcairn Islands	NZ $	1.0241
Poland	Zloty (O)	31.00
Portugal	Port. Escudo	49.30
Port Timor	Timor Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.678
Reunion Ile de la	French Franc	4.19
Romania	Leu	4.47
Rwanda	Rwanda Franc.	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Sterling *	2.285
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	4.19
St. Vincent	E. Caribbean $	2.7025
Samoa American	U.S. $	1.00
San Marino	Italian Lira	842.85
Saudi Arabia	Saudi Riyal	3.3293
Senegal	C. F. A. Franc	209.50
Seychelles	S. Rupee.	5.8337
Sierra Leone	Leone.	0.8763
Singapore	Singapore $.	2.1615
Solomon Islands	S.I. $	0.8838
Somali Republic	Som. Shilling	6.0241
South Africa	Rand	0.7911
Spain	Peseta.	71.145
Spanish ports in North Africa	Sp. Peseta.	71.145
Sri Lanka	S. L. Rupee	15.50
Sudan Republic	Pound (2)	0.50
Sudan Republic	Pound (1)	0.80
Surinam	S. Guilder	1.80
Swaziland	Lilangeni	0.7911
Sweden	S. Krona.	4.226
Switzerland	Swiss Franc.	1.6618
Syria	Syria Pound.	3.9262
Taiwan	New Taiwan $ (O).	36.00
Tanzania	Tan. Shilling.	8.2893
Thailand	Baht.	20.50
Togo Republic	C.F.A. Franc	209.50
Tonga Islands	Pa'anga	0.8838
Trinidad & Tob.	Trin. & Tob. $	2.4063
Tunisia	Tunisian Dinar	0.4131
Turkey	Lira.	74.43
Turks & Caicos	U.S. $	1.00
Tuvalu	Australian $	0.8838
Uganda	Ug. Shilling	7.401
United Arab Emir.	UAE Dirham	3.7223
United Kingdom	£ Sterling *	2.285
Upper Volta	C.F.A. Franc	209.50
Uruguay	Urug. Peso (m)	8.78
U.S.S.R.	Rouble	0.652
Vatican	Italian Lira	842.85
Venezuela	Bolivar	4.2957
Vietnam N.	Dong (O)	2.18
Virgin Islands U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.9174
Yemen	Rial	4.57
Yugoslavia	New Y. Dinar	20.9636
Zaire Republic	Zaire Zaire	2.0041
Zambia	Kwacha	0.7847
Zimbabwe	Zim $	0.6938

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

	20	N.Z. 7½pc 1988-92	65½	-¼	11.91	13.65
	72	Do. 7½pc '83-86	74½xd	......	10.01	13.69
	63	Sth. Africa 9½pc '79-81	92½xd	......	10.31	15.58
	107	Sth. Rhod. 2½pc '65-70	108	-4	—	—
	155	Do. 6pc '78-81	160	-3	—	—

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or −	Yield Int.	Yield Red.
60	56½	Agric. Mt. 5pc '59-89	59½	......	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¼	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	......	9.79	—
90½	55½	Do. without Warrants	90½	......	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ SA1	210	+2	Q22c	3.7	5.4	5.1
245	183	Alexanders D. £1	238	......	16.0	—	9.6	—
£76½	£56	Algemene Fl.100	£65	......	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	355	......	21.5	—	8.6	—
128	105	Allied Irish	106	+3	hG8.09	—	7.4	—
17	13	Ansbacher (H.) 5p	16¼	-¼	—	—	—	—
230	180	Arbuthnot L. £1	230	......	†10.42	—	6.5	—
360	298	Bk. Ireland £1	300	-2	Q23.51	—	7.9	—
£162	£145	Do. 10pc Conv.	£145	-5	Q10%	—	†7.0	—
*8	5	Bk. Leumi $0.1	6	......	Q01.4%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	......	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	159	-3	Q16c	φ	6.0	φ
305	235	Bank Scotland £1	243	-2	15.0	5.1	8.8	3.1
£20¾	£16¼	Bankers N.Y. $10	£19⅝	+⅛	Q$3.30	—	7.6	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

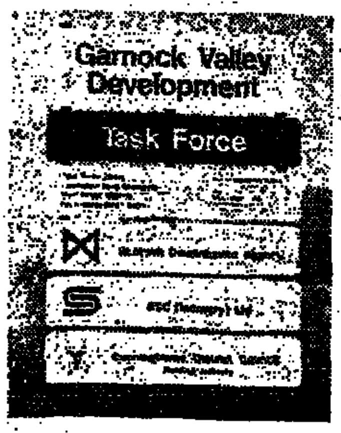
Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

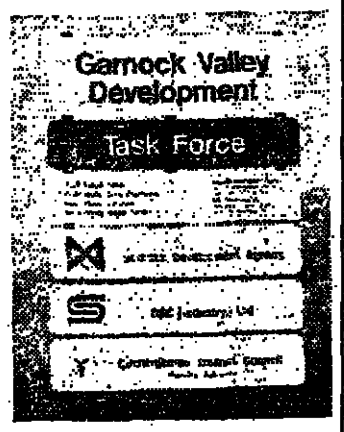
For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأجيال

STRATHCLYDE II

Concentrated programmes of urban renewal and industrial regeneration are under way in several areas. The scope of the work and progress so far in two very different areas are described here.





Task force in Garnock trying to create work

THE GARNOCK valley lies about 25 miles to the south-west of Glasgow on the road to the new town of Irvine. Glengarnock itself is the smallest of the four towns — population about 5,000—that make up the area. Outside the towns the rich, rolling countryside, from which at various points it is possible to see the hills on Arran or around Loch Lomond, contain prosperous farms.

The valley, however, is not rich. Its staple industries were once coal, iron ore, steel and textiles. Coal and ore have long since gone, textile production has been trimmed and there cannot be much future for the Glengarnock steel works. Steelmaking has ended and only rolling now takes place. The workforce is down from around 1,000 to 250. If BSC shuts the works the associated Redpath Dorman Long engineering works, employing 170, will probably follow suit.

Unemployment is already just on 20 per cent. Dith no rolling mills and no RDL the situation would become one of the worst unemployment black spots in Scotland. Appearance can be deceptive in the valley and it is hardly surprising that at the start of last year the Scottish Development Agency should have moved in its first task force.

The task force was conceived out of discussions involving the Scottish Office, the agency, British Steel Corporation (Industry), and other bodies, such as the Manpower Services Commission. It is a sort of five-man enterprise zone under Stuart Gulliver without the political ballyhoo.

The valley is not completely bereft of industry. There are still some textile concerns and one large producer, Roche, which has 600 people producing vitamin C and is on the verge of expanding to take on another 400. But the essential problem is to attract new industries to provide work, especially for those under 25 and even more especially for the school leavers.

Stuart Gulliver sees his team's task as not merely to create work but also to raise morale generally and improve the general environment. To achieve maximum impact of presence he has opened a task force office in Kilbirnie, the largest of the four towns, and has moved his own office out of the SDA's Bothwell Street headquarters in Glasgow to Clydebank. He believes you have to lead from the front and have to be seen to be where the action is—in his case where unemployment is heaviest.

Impact

If the task force is to achieve the maximum impact, he believes that it must at all costs avoid becoming another bureaucracy. So his team is not only small but puts a termination date to its activities.

He will not be drawn on the records as to how long that period should be but he does admit that he would like to see 800 new jobs in the valley by 1983. A longer time span than four years and the force's momentum would begin to run down.

Mr. Gulliver admits generously that his work would be that much more difficult were it not for the help he receives from Cunninghame district council and Mr. Jim Caulfield, the local BSC (Industry) man.

The council has adopted a positive approach to the task force's work and expedites action on its proposals. Caulfield is a walking, talking promotion unit for the area. He has, in just 18 months, been involved with more than 40 companies which would create 1,000 jobs. So far, about 300 jobs can be attributed to his efforts.

To attract new companies the task force is building advance factories and rejuvenating old ones. In some of the former steelworks' premises there are now to be found a boat builder, an accountant and an enterprising restauranteur. New factories include machine tool concern, and a manufacturer of special one-off kitchen units. Demand for the new accommodation is strong and they are frequently pre-let before completion.

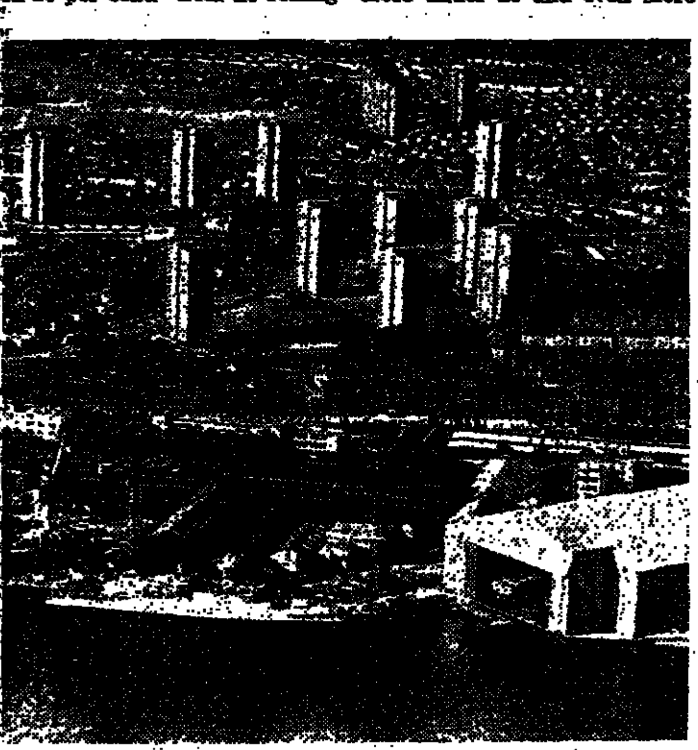
When the economic goals which the task force has set itself have been completed then it will withdraw. This it sees as its strength. Because it is not concerned with such factors as health, police or roads, which are the responsibilities of the local authorities, it is in a better position to put these self-imposed limits on itself.

But the limits are not time limits: they are economic limits. The time scale is flexible though not open-ended.

There are fears expressed by some of the parties involved in the Garnock Valley scheme, though not by Gulliver himself, that the restrictions on the SDA's finances imposed by the Government might undermine the viability of the task force. Some would say that the task force is a shoe-string operation though it might be better to describe it as working to a tight budget. Any paring of this budget could have disproportionately severe effects.

There is also some criticism that Scotland is not getting its fair share of government assistance to meet the steel closures. Eyes look longingly towards Wales, where £48m has been made available by the Government to the, admittedly severe, steel closures there.

Even a small proportion of that sum would make an enormous difference in Glengarnock, they feel. But if they are unhappy at the disparity of treatment between Wales and Scotland they are happy to be involved in a pioneer project and, what is more, one that other locala uthorities are already beginning to take notice of.



The changing face of Clydebank: new housing among the old and question marks over the future of the waterfront

Clydebank pressing for enterprise zone

CLYDEBANK, where the task force opened its second operation on the last day of April, is a very different proposition to the Garnock valley.

Although it is a separate district it is really part of urban Glasgow and indistinguishable in many respects from the problems the city as a whole faces. Clydebank was the great shipbuilding and marine engineering centre on the north bank of the river. Here the biggest commercial ships ever to sail, the Queen Mary, Queen Elizabeth and the QE2, were built and launched.

Shipbuilding has been reduced to a bare minimum nowadays. The John Brown yard, centre of all the activity, was taken over by Marathon, was saved a year ago only by government intervention and last month moved into French hands.

But Clydebank has lost 11,000 jobs in the last three years. Its unemployment rate is about 11 per cent and will go higher when Singer finally closes later this year. It is on the 86-acre Singer site that the task force holds out hope for the regeneration of the area.

Some development has taken place in Clydebank already. A new shopping centre has been built and there has been a little industrial regeneration. But one of the most important factors leading tothe area's decline was that most of the leading companies sub-contracted their work elsewhere. Consequently, there is very little back-up industry within the district; little locally generated employment and few small or medium-sized companies.

The area's economy is also lop-sided. Most of the work is in manufacturing and available only to men. There is very little service industry and, hence, a one-class, lower-income society. The task force has already identified areas in which it could be active and the Singer site is vital to these considerations.

The headquarters of Stuart Gulliver's task force have been moved into Clydebank and overlook the Singer works. But it has to be asked whether the force has not bitten off more than it can chew—or, rather, been asked by the SDA to bite off too much.

This very small team already has a full job of work with the Garnock valley, where it is considerably helped by the local council and BSC (Industry). In Clydebank it has severe structural problems to cope with and a council that has not put a great deal of effort into its industrial drive.

A bigger imponderable lies in the shape of the proposed enterprise zone, brainchild of Sir Geoffrey Howe in his Budget. Two areas have been suggested for the site of Scotland's zone, and Clydebank is the odds-on favourite. A decision is not expected until August though.

If a zone is to be created in Clydebank—and the local people are pressing for it—it will have to have the Singer site as its core. Without the Singer site the task force's operations will be seriously undermined.

Gulliver thinks there is plenty of room for both his task force and the enterprise zone in Clydebank and he believes that the area is going to be the real testing ground of his sort of operation. It could also blight high hopes. But that would not be his fault. It would be the fault of politicians who float off bright ideas without any conception of the practicalities and then leave them to others to implement.

Anthony Moreton

Multi-national keeps its Scottish base

COMPANY PROFILE

ANDERSON STRATHCLYDE is that comparative rarity in Scottish industry, a company that has grown to international (in fact multi-national) size yet retained its Scottish base and headquarters.

Formed in 1966 from the merger of Anderson Boyes of Motherwell and Mavor and Coulson of Bridgeton, the group now includes five companies and ten factories, employing 4,500 people. Half of its plants are in Scotland, but it long ago expanded into England, Australia, South Africa and the U.S. to manufacture and distribute the advanced coal-cutting machinery it makes, and has cast its sales net much further — to any country that has a mining industry.

Mr. Robert Thorpe, chairman and managing director, admits that if the group was any bigger London where many of Anderson's suppliers, competitors and customers, including the National Coal Board, its main UK client, have offices.

"But at the moment we are better off conducting our business from the premises where we have built up our expertise over many years. If we were to shift our headquarters we would lose contact with that," he comments.

As the importance of coal as a primary energy source becomes recognised, so the demand for the cutting and loading machinery made by and its plants more widely scattered it might make sense to move the headquarters to Anderson Strathclyde increases. The Coal Board takes more than half its output and another quarter is exported. The present order book will provide work for about a year, but it is not enough. Ever hungry for more work, the company has about 100 salesmen travelling the world.

For example, it has six people based almost permanently in China, which is modernising and expanding its mining industry and is therefore a big potential market. The Chinese, says Mr. Thorpe, like to move slowly and to evaluate the performance of each batch of machines delivered before ordering the next.

They first bought from Anderson in 1956, came again in 1965 and 1973 before buying machinery worth £13.5m in 1978. The last units in that order were loaded for shipment at the beginning of this month.

The basic design of coal shearers, conveyors and loaders has changed little over the years, but the detail has been constantly improved. Anderson Strathclyde has 150 people working in its design section. "There is never anything new, but there is always something better. It is like the motor car —the basic principle has not changed since the Model T Ford of the 1920s, but the modern version is a lot different," Mr. Thorpe says.

Invest

The latest model shearer, developed for South Africa, for example, has an uprated 1,000 kW motor, giving 1,250 hp, the most powerful of its type. The bigger motor means a higher voltage, hence improved electrical system. More power dictates a heavier frame and so on. Each innovation leads on to the next.

Design and development are only half the story. To stay ahead in manufacturing precision and efficiency the company invests heavily in new machine tools. It has spent £2m a year over recent years and will probably double that amount this year.

The coal mining industry remains Anderson's main market, but skills developed for underground use have proved to have wider applications. Cutting booms have been used for tunnel driving for the Tyne and Wear Metro, bucket wheel excavators have been sold for civil engineering work and to mine tin and conveyors for quarrying.

Anderson Strathcyide made a loss in the first half of its financial year, after suffering a damaging strike at its Motherwell works and the effects of the national engineering dispute. But the company's underlying strength is not in doubt. Its full-year figures, due shortly, are expected to show a profit for the 12 months about equal to last year's £4m before tax.

Ray Perman

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]						

Five to Fifteen Years

[illegible]						

Over Fifteen Years

[illegible]						

Undated

[illegible]						

INTERNATIONAL BANK

[illegible]						

CORPORATION LOANS

[illegible]						

COMMONWEALTH AND AFRICAN LOANS

[illegible]						
	133	Do. 6pc '78-81	160	-3	—	—

LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
60	56½	Agric. Mt. 5pc '59-89	59½	......	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¾	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	......	9.79	—
90½	55½	Do. without Warrants	90½	......	10.44	16.40

LOANS—Continued

Financial

[illegible]						

FOREIGN BONDS & RAILS

[illegible]						

AMERICANS

[illegible]							

CANADIANS

[illegible]							

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
£76½	£56	Algemene Fl.100	£65	......	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	335	......	21.5	—	8.6	—
128	105	Allied Irish	106	+3	hG8.09	—	7.4	—
17	13	Ansbacher (H.) 5p	16¼	-¼	—	—	—	—
230	180	Arbuthnot L. £1	238	......	†10.42	—	6.5	—
360	298	Bk. Ireland £1	300	-2	Q23.51	—	7.9	—
£162	£145	Do. 10pc Conv.	£145	-5	Q10%	—	f7.0	—
*8	5	Bk. Leumi $0.1	6	......	Q014%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	......	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	159	-3	Q16c	ф	6.0	ф
305	235	Bank Scotland £1	243	-2	15.0	3.1	8.8	3.1
£20¼	£16¼	Bankers N.Y. $10	£19⅝	+¼	Q$3.30	—	7.6	—

BANKS & HP—Continued

[illegible]								

Hire Purchase, etc.

[illegible]								

BEERS, WINES AND SPIRITS

[illegible]								

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]								

CHEMICALS, PLASTICS

[illegible]								

CHEMICALS, PLASTICS—Cont.

[illegible]								

DRAPERY AND STORES

[illegible]								

ELECTRICALS

[illegible]								

ENGINEERING MACHINE TOOLS

[illegible]								

ENGINEERING—Continued

[illegible]								

FOOD, GROCERIES, ETC.

[illegible]								

FOOD, GROCERIES—Cont.

[illegible]								

HOTELS AND CATERERS

[illegible]								

INDUSTRIALS (Miscel.)

[illegible]								

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Algeria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكزامن الأحيل

COMMODITIES AND AGRICULTURE

UK farmers call for meeting

By Our Commodities Staff

BRITAIN'S farm leaders want Mr. Peter Walker, the Minister of Agriculture, to meet them face-to-face and explain the Government's attitude towards their industry.

Farmers have demanded, with increasing impatience, that the 5 per cent average EEC price rise agreed by the other eight Farm Ministers in Brussels this month be implemented as soon as possible and that Mr. Walker should grant extra aid to compensate for the Britain's higher rate of inflation.

But so far they have had little joy from the Government which is more concerned about winning a substantial reduction in Britain's EEC budget contribution.

At its meeting yesterday the Council of the National Farmers' Union instructed the union's president, Mr. Richard Butler, to ask Mr. Walker to explain his reluctance to help the industry at its next meeting on July 17.

"The council was in one of the most critical and angry moods that I can recollect," Mr. Butler said after yesterday's meeting.

U.S. surplus tin sales

SALES OF surplus tin from the U.S. defence stockpile will start in July 1, the General Services Administration confirmed yesterday.

A new method of selling, by competitive sealed bids, will be used for offerings at the rate of 10,000 tonnes a year.

The start of stockpile sales has already been discounted by the market, so there was little reaction.

Prices also failed to react to the breakdown of the negotiations for a new International Tin Agreement. It is generally expected that in view of the position at the Geneva conference, the existing Agreement is likely to be extended for another year, until June 1982, when the Tin Council meets in January.

Although tin held steady, copper came under pressure again in the London Metal Exchange yesterday. Cash Wirebars closed £20 down at £878 a tonne, reflecting fears that the U.S. housing "starts" figure due out this week will show a further decline.

Talks on U.S. grain ban

GRAIN EXPERTS from the U.S., the EEC and other main grain exporting nations will meet in Brussels on May 27 and 28 to discuss the present embargo on grain sales to the Soviet Union, reports Reuters.

The meeting, arranged at the request of the U.S., will involve an exchange of views on the market, but in all probability no new decisions would be taken. It will be attended by U.S. Government officials, representatives of other grain exporting countries including Australia.

Our correspondent in Buenos Aires writes: Argentina and the Soviet Union by the USSR of at least 3.5m tons of Argentine cereal grains and oilseeds every year until the end of 1985.

The agreement will specify that in the period 1980-85, the Soviets will buy from Argentina no less than 2m tons of maize, 1m tons of sorghum and 500,000 tons of soyabeans annually.

In 1979, the Soviet Union bought just over 1.6m tons of maize, and no sorghum or soyabeans, from Argentina. In the first quarter of this year, the Soviet Union bought more than half of Argentina's grain exports.

However, between 250,000 tonnes and 350,000 tonnes of grains and oilseeds are believed to have been lost in extensive flooding in Buenos Aires province at the beginning of this month. An accurate picture of the damage is hard to obtain as many access roads are still unpassable and inspection of fields difficult.

Australian grain growing and exporting bodies have told the Australian Government they oppose any extension of the current ban on extra grain sales to the Soviet Union.

Representatives of the country's growers and marketing bodies made this clear when they met Peter Nixon, Primary Industry Minister in Canberra, ahead of the meeting in Brussels which will review the U.S. embargo.

The Australian Government has said it will not make up any shortfall in Soviet supplies stemming from the U.S. embargo, and has prevented several grain sales contracted by Australian marketing authorities since the move.

Platinum trading pattern forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

ANY DECLINE in the price of platinum was likely to be limited by several factors, Mr. Irwin Shishko, vice-president, research, of J. Aron Commodities, the New York based metal trading group, told the annual London Platinum dinner last night.

Mr. Shisko said now that the speculative bubble in precious metals had burst the case for further price weakness in platinum was plain.

Recent production increases by South Africa had essentially offset the drop in Soviet supplies. Demand was showing weakness in the two leading consuming countries — with jewellery use off sharply in Japan and a sharp downturn in U.S. automobile industry sales.

In the last business downturn the decline in platinum from a $300 an ounce peak to a $140 trough lasted two years; adjusted for inflation a comparable low in the wake of the current recession would be around $250. But Mr. Shishko thought it was unlikely that platinum would sink nearly that far.

World platinum stocks were lower than five years ago; South African producers had greater financial strength, less excess capacity and faced less outside competition. Lower prices would evoke renewed demand in Japan and the market was more likely to be supported by underlying invsetor demand.

Mr. Shishko felt that free market platinum might reach a cyclical low around $300 in 1981-82, depending particularly on the further course of Soviet sales.

ICI raises fertiliser prices

By Our Commodities Staff

ICI IS putting up UK prices of its fertilisers, effective from June 1. The company announced yesterday that the cost of straight nitrogen fertilisers would go up by 3 per cent and compound fertilisers by 10 per cent. This follows similar price rises last December.

The increases are blamed on rising costs of raw materials, distribution and manufacturing.

Fisons, the other leading UK producer, said it was studying the situation. But it seems fairly certain that other fertiliser producers will also put up their prices.

Profit-taking hits sugar

THE DRAMATIC rise in world sugar prices which had lifted nearby values by £100 since the end of last month was halted yesterday. August delivery sugar on the London futures market, already at a five-year peak, rose still further during the morning and reached £379 a tonne at one stage.

Then, however, the profit-taking and speculative selling which some dealers had been predicting took effect. In the afternoon prices fell the £20 permissible daily limit and by the close August sugar was quoted at £354.725 a tonne, down £8.525 on the day.

The downturn started in New York where speculative selling triggered "stop-loss" orders. Dealers there said the selling started when values failed to rise by the amounts forecast overnight.

Cocoa falls £11

COCOA prices dropped to new life of contract lows on the London market yesterday, following renewed selling pressure. The July futures position dipped to £1,160 — the lowest level since July, 1976—at one stage before rallying to close at £1,174 a tonne, £11 down on the previous day.

The market was unsettled by reports of further selling by producers, notably Ghana, in spite of the fall in prices. There is also some uncertainty about reported meetings in Abidjan between European trading and processing companies on proposals to buy some of the surplus Ivory Coast cocoa currently stockpiling.

SPRING-SOWN CROPS

Hopes recede of high yields

BY DAVID RICHARDSON

WHILE BERISFORD and British Sugar battle for control of the UK market, farmers who grow beet from which the sugar is extracted are more concerned with drought than share prices.

Six weeks ago, the national crop seemed set for another good year, following last season's record overall tonnage. Planting took place into good seedbeds which appeared to contain ample moisture. Timing was good, too, with many farmers working over the Easter holiday to get their seeds into the ground in early April to try to avoid potential yield loss from later drillings.

Since then, however, there has been no significant rainfall and the cold north and north-easterly winds, which dominated April, dried out the topsoil. And, although the recent warm spel has helped a few early crops which had fully germinated before the worst of the drought, it has worsened the state of later plantings.

Throughout the eastern counties, fields in which rows of beet seedlings should, by now, be clearly showing, appear to the casual glance to be almost bare. Closer inspection usually reveals that some germination has taken place, but it is patchy to say the least.

Some plants have half a dozen cotyledon leaves, while others are only just through the ground. In some large patches nothing is showing at all except ubiquitous weeds growing apparently unhindered, because applied herbicides also need rain to make them work.

As always, under such circumstances of retarded crop growth, predator damage appears to be much worse than usual. Following widespread attacks by field mice, which have taken to eating sugar beets as they lie in the soil, plants which have emerged are now being bitten off by larks, sparrows and partridges. Most will probably recover if and when it rains, and as yet ungerminated seed should grow, but in the meantime prospects for high sugar beet yields this year are receding.

Main crop potatoes have not yet suffered a serious setback although, like all crops, they need rain. They too were planted into good seed beds at the right time, but soil temperatures have been well below average until recently so that growth has been slow and few green leaves are visible in the ridges. Some crops of February-planted early potatoes, designed to catch mid summer premium prices, did emerge towards the end of April only to be "burned" by May frost.

Reports from Lincolnshire another parts further south tell of blackened leaves and shoots which will grow no more. New growth will eventually emerge and such crops will recover, but the benefits of early planting will have been lost and yields will suffer.

It is estimated that the soil moisture deficit amounts to over three inches in some areas already, which is unusual and potentially serious this early in the year. Other crops which are particularly vulnerable to such a drought are various vegetables—especially peas.

Here again, early plantings which went into adequate moisture have, in the main, established themselves and are looking reasonable. Attacks by weevils, which eat their way through the tender green leaves as they emerge have needed spraying with insticide in some cases, but this is relatively cheap and usually very effective.

Most seriously affected, however, have been specialist crops for processing. To ensure orderly ripening so that maximum tonnages of green vegetables can be processed through available factory equipment, processing companies draw up schedules of drilling dates for farmers to follow.

Obviously it is critical to even ripening that each field is drilled on the optimum day and that ever yseed in that field germinates at the same time.

But seeds need moisture to germinate, and where soil conditions are as dry as this year, such stringent requirements are all but impossible to attain—particularly on heavy laid where there are clods. It seems almost inevitable, therefore, that later drillings of processed peas, which have suffered most from the dry spell, will ripen unevenly and therefore be of poor quality and yield badly.

That all the crops mentioned so far have been spring planted is, of course, highly significant. For once again this year relatively drought proof, autumn sown crops, like winter wheat, winter barley and oil seed rape, look like suffering least from the vagaries of the weather.

Their extensive roots and capillaries, established through the winter, are able to search out moisture in the sub soil which spring-drilled crops cannot reach.

Such crops would also benefit immensely from a good soak, but the difference in yield potential between, say, winter barley and some spring barleys—which have suffered along with so many other spring-drilled crops—looks enormous. And the longer the drought continues, the greater the gap will become.

New approach to beef butchery needed

BY OUR COMMODITIES STAFF

BRITAIN'S ailin gbeef industry must adopt an entirely new approach to butchery if it is to fight off the challenge mounted by producers of white meats—poultry and pork—Dr. Henry Swann, senior lecturer in animal production at Nottingham University, said in London yesterday.

Speaking at a press conference called to announce that an important beef production and marketing conference was to be held in London in December, Dr. Swann warned that the new face of the beef industry could mean teh demise of the traditional high street butcher.

He said the concentration of UK production on joints rather than steaks was outdated. "The modern housewife hasn't the time or the inclination to prepare and cook large joints. She wants a high quality convenience food, such as steak."

By going in for "muscular dissection" rather than plain butchery the UK beef industry could raise its proportion of steak production from a little over 30 per cent at present to as much as 70 per cent, Dr. Swann said. This would be in line with the U.S. production pattern.

"Almost everyone can get a better deal," he said. Farmers and processors profits would be improved and housewives would get their steak much cheaper.

Only the specialist retail butcher would suffer as supermarkets took a larger share of the beef market. "Small retail butchers are already on the decline," Dr. Swann said. "The new production pattern would merely accelerate this trend."

A new approach was vital if the industry was to avert a disastrous decline. The consumer switch to white meats was likely to continue because they were produced more efficiently and were more price competitive.

The UK was a "natural" for beef production, Dr. Swann stated. "But marketing must be improved."

He also said British farmers should produce leaner beef to take advantage of export market requirements. "We have the technology but the archaic UK beef industry cannot grasp the opportunity."

Dr. Swann will be one of the speakers at the conference, organised by Elanco Products, the international pharmaceutical company, and Livestock Farming magazine. It will be held on December 2 and 3.

Coffee trader plans appeal

LONDON COFFEE trader Alan J. Ridge intends to appeal an initial decision by the U.S. commodity futures commission (CFTC) that could ban the company from trading on U.S. commodity markets, he said yesterday.

On Wednesday the CFTC said its administrative law judge Eugene Hunt issued the decision after Ridge failed to answer charges filed by the commission on March 17 alleging Ridge refused to provide information on U.S. coffee futures trading requested by the CFTC.

● On the London future market yesterday prices rose strongly in response to producer buying activity. The July position ended the day £29.5 up at £1,749.5 a tonne. The rise reversed falls earlier this week which dealers saw as a "technical correction."

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange ahead of the latest U.S. housing starts figures and also reflecting the strength of sterling against the dollar. Forward metal opened around the £910 level and dipped to £905.5 in the Rings before steadying at £907 on the morning Kerb. During the afternoon the price edged up to £911 in thin trading before falling back to close the late Kerb at £900. Turnover: 17,225 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	883-4	—8	877-9	—20
3 months	907-8	—8.75	904-.5	—18.2
Settlem't	884	—8	—	......
Cathodes	874-5	......		
Cash			861-3	—21
3 months	863-5	—10.5	883-5	—19
Settlem't	885-6	+5	—	......
U.S. Prod	865	—10	*90-96.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £881, 81.5, 82, three months £910, 11, 09, 08.5, 08, 07 08, 05.5, 06, 07, 08. Cathodes, cash £866, 65, three months £885. Kerb: Wirebars, three months £907.5, 07, 08, 07. Afternoon: Wirebars, three months £908.5, 08, 07, 07.5, 05, 06, 05.5, 05, 05.5, 05, 04, 04.5. Kerb: Wirebars, three months £904, 03, 03.5, 03, 01, 02, 901, 900.

TIN—Barely changed. After opening at £7,440 forward metal dipped to £7,425 in the Rings owing to hedge selling. In the afternoon the market edged higher to close at £7,435 in front of news that the GSA is to make its first sale of stockpile tin on July 1, when 500 tonnes will be offered. Turnover: 1,920 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7490-510	+5	7500-20	+20
3 months	7450-60	+5	7450-80	......
Settlem't	7510	+10	—	......
Standard				
Cash	7440-50	—40	7440-50	—45
3 months	7425-30	—15	7430-5	—25
Settlem't	7450	—40	—	......
Straits. E.	‡$2215	+15	—	......
NewYork	—	......	—	......

Morning: Standard, cash £7 450, three months £7,420 ,25. High Grade, cash £7,470. Afternoon: Standard, three months £7,430, 35, 30. Kerb: Standard, three months £7,430, 7,400, 7,390, 80.

LEAD—Marginally easier after a day of narrow movements. Three months metal touched extremes of £339 and £344 before closing the late Kerb at £340. Turnover: 6,850 tonnes.

Morning: Cash £334, 33, 32, 31.5 31, three months £343, 42, 41, 40, 41. Kerb: Three months £340, 40.5. Afternoon: Cash £332, three months £342, 40. Kerb: Three months £339.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330-1	—3	329-30	—7.5
3 months	341-2	—1	339.5-40.5	—6
S'ment	331	—3	—	......
U.S. Spot	—	......	*36-40	......

ZINC—Held steady. Forward metal fell to £310 during the early pre-market trading but subsequently rallied to end the late Kerb at £315.4. Turnover: 3,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	301-3	+.5	302-4	—1
3 months	313-4	—.25	314.5-5	+1.25
S'ment	303	+1	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £313, 13.5, 13, 14, 13, 13.5. Kerb: Cash £301, three months £314. Afternoon: Three months £314.5, 14. Kerb: Three months £313, 14.

ALUMINIUM—Down following the fall in copper and the rise in sterling against the dollar. Three months metal opened at £777 and gradually gave ground to end the late Kerb at £770. Turnover: 6,600 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	783-4	+2	784-6	—5.5
3 months	773-4	+.5	773-4	—6

Morning: Mid-June £786 three months £775, 75.5, 75, 74. Kerb: Three months £775. Afternoon: Three months £775, 75.5, 74, 73. Kerb: Three months £773, 71, 70, 71.

NICKEL—Drifted from £2,720 to close the afternoon at £2,705 after a day of dull and routine trading. Turnover: 414 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2680-7	+18	2605-15	—25
3 months	2715-7	+15.5	2705-10	—20

Morning: Three months £2,715, 16. Afternoon: Three months £2,710. Kerb: Three months £2,705.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 433-438 (—3)

COMPANY NOTICES

SILVER

Silver was fixed 15.3p an ounce lower for spot delivery in the London bullion market yesterday at £5.5590. U.S. equivalents of the fixing levels were: spot $12.772, down 29.3c; three-month $13.057, down 22.4c; six-month $13.217, down 39.5c; and 12-month $13.893, down 48.0c. The metal opened at £5.5-£5.75 (12.7-$13.2) and closed at the same level.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	555.90p	—15.5	585.5p	—20
3 months	576.20p	—13.5	576.5p	—19.5
6 months	588.20p	—20.5	—	......
12months	628.20p	—25.5	—	......

LME—Turnover 81 (208) lots of 10,000 ounces. Morning: three months 581, 79, 75. Kerbs: three months 577. Afternoon: three months 583, 80, 78, 75, 76, 75. Kerbs: three months 577, 72, 73, 74.

COCOA

Contract lows were recorded for every futures position during a day which saw a trading range of £25 and a closing call at the mid point. Producers were absent today but consumer light scale-down buying, particularly for cocoa products, continued to be the order of the day, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
May	1165-75	—20.0	1190-58
July	1175-75	—11.5	1185-1160
Sep	1183-85	—8.5	1199-1175
Dec	1228-30	—12.0	1245-18
March	1267-68	—11.5	1277-58
May	1293-96	—15.5	1293-85
July	1310-26	—15.5	1325-10

Sales: 2,684 (4,042) lots of 10 tonnes.

ICCO—Daily price for May 14: 125.75 (126.62). Indicator price for May 15: 15-day average 127.84 (128.04); 22-day average 130.47 (131.05) (U.S. cents per pound).

COFFEE

Robustas opened with gains of £20-£25 during an active opening call. However after establishing new contract highs in distant positions the market eased slightly on producer type selling. The afternoon traded in a similar trend with some light profit taking paring the gains slightly at the close. Reports Drexel Burnham, Lambert.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1703-05	+29.5	1707-97
July	1749-50	+29.5	1759-44
Sept	1804-07	+28.0	1810-91
Nov	1820-24	+18.5	1830-15
January	1828-30	+19.0	1833-25
March	1775-80	+7.50	1785
May	1735-70	+17.50	—

Sales: 9, 583 (7.408) lots of 5 tonnes.

ICS Indicator prices for May 14 (U.S. cents per pound): Other Mild Arabicas 193.00 (191.33); Robustas ICA 1976 175.25 (same). ICA 1968 175.50 (same). Unwashed Arabicas 218.00 (same). Comp. daily ICA 1968 196.76 (197.22).

GRAINS

LONDON GRAIN FUTURES — May wheat opened higher and steady buying interest increased values in thin trading to close £1.40 up. However, selling pressure reversed an early rise in barley and it closed lower, reports Accli.

	WHEAT		BARLEY	
Mnth	Yesterday close	+ or —	Yesterday close	+ or —
May	97.50	+1.40	90.25	—0.55
Sept	94.60	+0.65	92.30	+0.30
Nov	98.40	+0.28	96.20	+0.10
Jan	102.20	+0.20	99.95	+0.05
Mar	105.50	+0.28	103.25	+0.10

Business done—Wheat: May 97.50-96.90, Sept. 94.75-94.60, Nov. 98.60-98.35, Jan. 102.35-102.30, March 105.55-105.40. Sales: 181 lots of 100 tonnes. Barley: May 91.00-90.25 Sept. 92.50-92.25, Nov. 96.45-96.15, Jan. 100.10-99.95 .March 103.50-103.25. Sales: 412 lots of 100 tonnes.

IMPORTED — U.S. Dark Northern Spring No. 2 14 per cent May 395.50, June 96.00, July 96.50, Aug. 98.50 transhipment East Coast. Maize: S. African Yellow May/June 80.00 seller. Barley: English Feed fob May 98.00, June 99.00 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 92.30, W. Midlands 90.20, N. West 92.30. Other milling wheat: N. West 98.40.

RUBBER

The London physical market opened unchanged with little interest throughout the day, closing on a dull note. Lewis and Peat reported a Malaysian godown price of 292 (295) cents kg (buyer, June).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	60.70-61.00	60.60-60.70	61.00-60.80
July	62.00-62.20	61.70-61.90	—
Jly-Sept	63.30-63.40	62.90-63.00	63.40-63.00
Oct-Dec	66.90-67.00	66.60-66.70	67.20-66.50
Jan-Mar	69.90-70.00	69.40-69.50	70.38-69.40
Apr-Jne	72.60-72.75	72.20-72.30	73.00-72.60
Jly-Sept	75.40-75.50	74.90-75.00	75.40
Oct-Dec	78.00-78.10	77.60-77.70	78.00—
Jan-Mar	80.50-80.60	80.20-80.40	80.60

Sales: 312 (256) at 15 tonnes, 3 (8) at 5 tonnes.

Physical closing prices (buyer) were: Spot 59.25p (59.50p) June 63.25p (same); July 64.00p (same).

SOYABEAN MEAL

The London market opened unchanged and moved slightly steadier on consumer interest, reports T. G. Roddick. With a stronger sterling during the afternoon prices failed to hold and fell £1.00 to contract lows, weher good support was found and mixed buying steadied prices which closed with losses of 50p.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	107.00-07.5	—0.40	107.50-07.00
August	107.20-07.4	—0.15	107.90-07.30
October	104.90-05.0	—0.75	105.80-04.50
December	108.10-08.0	—0.70	109.10-08.60
February	111.00-11.5	—0.55	112.00-11.00
April	113.50-14.0	—0.75	114.00-13.50
June	115.00-17.0	+1.0	—

Sales: 102 (131) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £350.00 (£335.00) a tonne cif for May-June shipment. White sugar daily price was £343.00 (£323.00).

NUMBER 4 CONTRACT — Close (in order buyer, seller only). August 357.00, 360.00; Oct. 362.50, 363.50; Jan, 366.00, 370.00; March 367.50, 368.50; May 364.00, 368.00; August 360.00 seller; Oct 362.00 seller. Sales 574 (1,400).

The market opened at around overnight levels and thereafter rapidly gained ground over the morning with August touching £379.00. In the afternoon however London prices fell with August losing almost £38.00 touching £351.50 in wild trading conditions, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	358.00-55.00	344.00-50.00	360.00-43.50
Aug	354.50-54.95	363.00-63.50	379.00-51.50
Oct	360.00-61.00	367.90-68.00	380.00-58.00

Sales: 12.770 (8,734) lots of 50 tonnes.

Tate and Lyle ex-refinery price for graulated basis white sugar was £321.7 (same) a tonne for home trade and £448.00 (£428.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for May 14. Daily price 32.64 (32.50). 15-day average 26.65 (25.99).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 67 tonnes, bringing the total for the week so far to 460 tonnes. Slack trading ensued without much incentive to extend engagements. Follow-on purchasing occurred in certain specialist qualities, chiefly in the North American range.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. May 452.0, 460.0, 452.-452.0, 14; July 451.0, 457.0-451 0, 393; Oct. 452.0, 453.0, 464.5-453.0, 413; Dec. 456.5, 457.0, 467.5-456.0, 312; March 464.0, 465.0, 472.0-464.0, 54; May 465.0, 467.5, 475.0-467.5, 47; July 465.0, 471.0, 475.0-472.0, 9; Oct. 467.5, 470.0, 472.0-472.0, 3. Sales 1,245.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 367, 375, nil, nil; Aug. 379, 385, 380, 1; Oct. 380, 385; nil, nil; Dec. 380, 385, nil, nil; Jan. 375, 385, 380, 1 March 375, 383, nil, nil; May 375, 384, nil, nil; Aug. 375, 395, nil, nil; Oct. 375, 395, nil, nil. Sales 2.

★

GRIMSBY FISH — Supply: Good; demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £4-£4.50, codlings £3-£4. Large haddock £3.30-£4.40, medium £3.30-£3.80, small £2-£2.80. Medium plaice £4-£5, best small £3.40-£4.30. Skinned dogfish (large £8, (medium) £4. Lemon soles large £7.50, medium £6.50. Rockfish £2.30-£2.80. Reds £2-£2.60. Saithe £2-£2.30.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 68.00 to 73.00, Eire hind quarters 82.00 to 84.00, Eire forward quarters 46.00 to 49.00. Veal: Dutch hinds and ends 94.00 to 108.00. Lamb: English small new season 62.00 to 72.00, Imported frozen NZ pl 61.00 to 62.00, pm 59.00 to 60.00, ph 58.00 to 58.00. Hoggets: English 40.00 to 60.00, Scotch 40.00 to 60.00. Pork: English, under 100 lb 44.00-50.00, 100-120 lb 40.00 to 48.00, 120-160 lb 40.00 to 46.00.

MEAT COMMISSION—Average fatstock prices at representative markets on May 15. GB cattle 83.89p per kg lw (—1.74). UK sheep 135.35p per kg est d c w (—4.28). GB pigs 70.49p per kg lw (—2.72).

COVENT GARDEN—Prices yesterday in sterling per package except where otherwise stated: Imported Produce. Oranges—Spania: Vernas 3.80-4.20, Bloods 3.30-3.60; Jaffa: Valencia Lates 50/189's 4.80-6.30; Egyptian: Valencia Lates 75/125's 3.00; Moroccan: 54/113's 4.10-4.80; Cyprus: Valencia Lates 3.50-5.80; Arizona: Valencia Lates 92/88's 6.00-6.40. Ortaniques—Jamaican: 54/126's 5.00. Lemons—Italian: 100/150's 4.20-4.50; Spania: Trays 25/45's 2.00-2.30, boxes 4.00-5.00; South African: Boxes 5.0-6.00. Grapefruit—Cyprus: 20 kg 4.00-5.40; Jaffa: Boxes 40/75's 4.80-5.20; South African: 3.25-3.75. Minneolas—Californian: Approximately 20 lb 45/90's 4.50. Apples—New Zealand: Sturmer Pippins 8.40, Golden Delicious 7.40; Tasmanian: Cox's Orange Pippins 9.40-10.00; Chilean: Granny Smith large boxes 125/150's 7.60; South African: Golden Delicious 8.00-8.30, Starking 8.30-8.60, White Winters 125/180's 7.50-7.80, Granny Smith 7.30-7.80; French: Golden Delicious, boxes 40 lb 138/175's 5.20-5.80, 20 lb 2.60-2.80; Italian: Jonathans/Romes 40 lb 4.60. Pears—South African: Approximately 34 lb Baurre Bosc 7.20-7.50, Packham's 8.00-8.50; Italian: Passacrassane 12 lb 1.80; Chilean: Anjous/Packham's 150/165's 8.50-9.00. Grapes—South African: Barlina 5.80, Golden Hill 8.00, Almeria 8.00. Strawberries—Per punnet, Italian: 0.30-0.35; Spanish: 0.25-0.35. Melons—Israeli: Yellow 10's 10.00; Chilean: White 9.00-9.50; Spanish: 8/11's 5.00-6.00. Avocados—South African: 3.60-3.80. Bananas—Jamaican: 28 lb, per pound 0.17-0.18. Tomatoes—Canary: 2.50-3.00; Dutch: 4.30-4.50; Guernsey: 4.20-4.40. Onions—Chilean: 5.50-5.80; Dutch: 6.00; Canary: 6.20-6.40. Chicory—Belgian: 5 lb 2.00-2.40. Potatoes—Egyptian: King Edwards 4.10-4.20; Cyprus: New crop 20 kg 4.30-4.40; Jersey: Per pound 0.40; Italian: 55 lb 5.20; Valencia: 44 lb 3.90-4.00; Majorcan: 44 lb 4.80-5.00. Carrots—Dutch: 10 kg 3.60; American: Prepack 48 x 1 lb 7.20; Cyprus: 2.30-2.40. Capsicums—Dutch: 6.40. Beetroots—Cyprus: New crop, approximately 28 lb 3.50. Celery—American: 24/30's 6.00. Cabbages—Dutch: White 2.80-3.00.

English Produce. Potatoes—Per bag 2.30-2.60. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.10-0.16, Laxtons 0.12-0.13. Swedes—Per 25/28 lb 0.60-0.70. Turnips—Per 28 lb 1.20. Carrots—Per bag 1.80-2.20. Cabbages—Per bag 1.20. Cauliflowers—Per 12's English 1.60-2.80. Cucumbers—Trays 16/20's 2.80-3.00, prepack 16/20's 3.60-3.80. Tomatoes—Per 12 lb 4.00-4.40. Lettuce—Per pound round 1.20-1.50. Cos 1.80. Rhubarb—Per pound outdoor 0.05. Onions—Per bag 6.00-6.50. Beetroots—Per bag, round 1.50, long 2.20. Celery—English 12/30's 4.00-4.80. Asparagus—Per pound 0.90-1.20.

PRICE CHANGES

In tonnes unless otherwise stated.

	May 15 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1820/1850	......	$1800/50
Copper			
Cash w'bar	£878	—20	£955.5
3 mths	£904.25	—18.25	£986.5
Cash Cathode	£862	—21	£933.5
3 mths	£884	—19	£962.5
Gold troy oz.	$518.5	—7	$529.5
Lead cash	£329.5	—7.5	£461
3 mths	£340	—6	£444.25
Nickel	£3,355	......	£3,477
Freemkt(cif (lb)	265/285c	—5	285/310c
Platin'mtr'y oz	£189-193	......	£189/193
Free mkt	£248.25	—7.45	£282.15
Quicksil'ver†	$380/390	—7.5	$402/412
Silver troy oz	555.90p	—15.3	670.45p
3 months	576.20p	—13.5	692.85p
Tin Cash	£7,445	—45	£7,815
3 mths	£7,432.5	—25	£7,812.5
Tungsten22.04lb	$144.50	......	$141.56
Wolfrm 22.04 lb	$138/143	......	$144/148
Zinc cash	£303	—1	£330.5
3 months	£314.75	—1.25	£333.5
Producers	$760-825	......	$825
Oils			
Coconut (Phil)	$655u	+2.5	$700
Groundnut	‡	......	‡
Linseed Crude	‡	......	£438
Palm Malayan	$585z	......	$615
Seeds			
Copra Philip	$400	......	$445
Soyabean(U.S.)	$265.60x	+2	$264
Grains			
Barley Futures	£92.50	+0.10	£90.60
Maize			
French No3AM	‡	......	‡
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£1,210	—11	£1,351
Future July	£1.174	—11.5	£1,337
CoffeeF't'rJuly	£1,749.5	+29.5	£1,691.5
Cotton A.Index	89.10c	—0.05	91.05c
Rubber (kilo)	59.25p	—0.25	56.50p
Sugar (Raw)	£350	+15	£240
Wooltp's 64s	294p kilo	+2	296pkilo

u June. s June/July. t May-June. w Aug. x July. z Indicator. § Buyer. † Per 76-lb flask.

AMERICAN MARKETS

NEW YORK, May 15.

A BEARISH cattle on fed report put the livestock markets sharply lower to limit down. Precious metals sold off on commission house selling and lack of follow-through. Copper drifted lower on the lack of buying interest. Reports of a cold front in Argentina rallied the coffee market. Selling of current production by Ghana put the cocoa market under heavy presure. Continued liquidation by commission houses carried cotton sharply lower. Sugar recovered from limit losses and finished moderately higher. A late rally in wheat carried maize and soyabeans moderately higher, reported Heinold.

Potatoes (round whites)—Nov. 70.0 (70.0).

¶Silver—May 1240.0-1243.0 (1303.0), June 1256.0 (1306.0), July 1265.0, Sept. 1290.0, Dec. 1329.0, Jan. 1341.5, March 1366.5, May 1391.5, July 1416.5, Sept. 1441.5, Dec. 1479.0, Jan. 1491.5, March 1514.0. Sales: 1,300. Handy and Harman bullion spot 1275.00 (1310.00).

Sugar—No. 11: July 33.40-33.60 (34.45), Sept. 33.95-34.05 (34.10), Oct. 34.50-34.60, Jan. 35.20-35.30, March 35.30-35.50, May 35.35, July 34.90, Sept. 34.70, Oct. 34.50.

Tin—773.00-797.00 asked (780.00-795.00).

CHICAGO, May 15.

Lard—Chicago loose 18.00 (same). New York prime steam unavailable.

Live Cattle—June 64.82 (66.32), Aug. 65.02 (66.52), Oct. 63.45, Dec. 64.00-64.10, Jan. 65.00, Feb. 65.05-65.20, April 65.55.

Live Hogs—June 33.35-33.40 (34.30), July 35.36-35.25 (36.12), Aug. 34.90-34.95, Oct. 35.75-35.60, Dec. 39.00, Feb. 42.27, April 41.32, Junu 44.65, July 44.65.

‡‡Maize—May 273¾-273½ (270¾), July 281¼-282 (279¾), Sept. 292-292¾, Dec. 298¾-299¼, March 311, May 318½.

Pork Bellies—May 30.75-30.70 (31.80), July 31.80-32.00 (33.00), Aug. 31.80-32.00, Feb. 46.90, March 47.00, May 47.55, July 48.50, Aug. 47.50.

Silver—May 1235.0-1240.0 (1302.0), June 1267.0 (1307.0), July 1278.0, Aug. 1292.0, Oct. 1317.0, Dec. 1342.0, Feb. 1367.0, April 1392.0, June 1417.0, Aug. 1442.0, Oct. 1467.0, Dec. 1492.0, Feb. 1517.0, April 1542.0, June 1567.0, Aug. 1592.0, Oct. 1617.0.

†Soyabeans—May 612½-613 (606), July 625-626 (621¼), Aug. 634, Sept. 640½-641½, Nov. 652½-653½, Jan. 667½-668, March 682-683, May 693½.

‖Soyabean Meal—May 169.7 (168.5), July 173.8-174 0 (173.9), Aug. 176.4-176.7, Sept. 178.8-179.0, Oct. 181.5, Dec. 185.2-185.4, Jan. 187.2-187.0, March 191.5, May 194.5-195.0, July 198.0-199.0.

Soyabean Oil — May 20.98-21.00 (20.87), July 21.27-21.25 (21.17), Aug. 21.46-21.45, Sept. 21.65, Oct. 21.85-21.90, Dec. 22.20-22.15, Jan. 22.20, March 22.60, May 22.90, July 23.15.

†Wheat—May 416 (407½), July 424-425½ (417), Sept. 436½-436, Dec. 453½-454, March 466, May 473½.

WINNIPEG, May 15. §Barley—May 126.00 (122.90), July 126.30 (121.80), Oct. 123.50, Dec. 123.00, March 122.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

European commodities markets were closed yesterday for the Ascension Day holiday.

Live sheep carrier delayed

MELBOURNE — A ship with 92,000 live sheep on board for delivery to Kuwait has been delayed for 24 hours by the Australian Seamen's union.

The action is in support of protests by local meat workers that the live animal trade is the cause of reduced employment in local meatworks.

Australian meat workers have been demonstrating and picketing the wharf at Portland, Victoria, in an unsuccessful effort to prevent the beasts being loaded aboard the ship.

The meat workers' action has delayed loading by more than a week and the seamen's union's decision to support them prevented tugs taking the vessel out today.

Reuter

INDICES

FINANCIAL TIMES

May 14	May 13	M'nth ago	Year ago
273.16	273.56	268.42	276.16

(Base: July 1, 1952=100)

MOODY'S

May 14	May 12	M'nth ago	Year ago
1136.6	1133.0	1140.5	1062.8

(December 31, 1931=100)

DOW JONES

Dow Jones	May 14	May 12	Month ago	Year ago
Spot	441.60	438.94	421.23	387.67
F'tur's	443.15	440.72	430.18	393.76

(Average 1924-25-26=100)

REUTERS

May 15	May 14	M'nth ago	Year ago
1722	1723.7	1718.2	1567.9

(Base: September 18, 1931=100)

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¾	+¼	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	55½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

CHEMICALS, PLASTICS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfort Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545

Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381

Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43

Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكزامن الأجيال

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79½	73½	Alcan 10½pc '89-94	79½	+½	13.83	14.65
29½	25	Met. Wtr. 3pc 'B'	27¼	+¼	11.36	13.37
102	69	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	55½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

INDUSTRIALS—Continued

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
33	22	Hirst McPson 20p	24	......	2.6	1.4	15.5	(4.6)
[illegible]	75	Holden (A.)	80	......	†4.0	3.4	7.1	5.6
51	44	Hollis Bros.	46	......	†5.12	1.8	16.6	4.2
[illegible]	217	Holt Lloyd Int. 10p	239	+17	9.5	♦	5.8	♦
[illegible]	120	Hoover 'A'	178	......	12.0	0.9	9.6	(12.3)
110	93	Hopkins & H 20p	110	......	8.0	1.5	10.9	7.6
[illegible]	54	Howard Tenens	61	+1	b2.28	—	5.3	—
375	230	Hunting Assoc.	345	......	5.0	♦	2.1	♦
90	66	Huntleigh 10p	78	+1	1.19	♦	2.2	♦
87½	81	Hutch Whamp SHK1	81½	+1	4Q28c	♦	3.5	♦
29½	18	Hyman (I. & J.) 5p	18½	−½	1.25	♦	9.7	♦
£11⅞	845	I.C. Industries $1	£11	−⅛	Q$2.00	—	8.2	—
145	111	ICL	139	......	h2.97	6.9	3.1	5.2
32	24	Ingall Inds. 10p	24	......	t2.27	1.7	13.5	7.0
134	107	Initial Services	130	......	†5.5	2.5	6.0	7.7
18	10	Inter-City 20p	10½	......	0.6	♦	8.2	♦
57	43	J. B. Holdings 10p	43	......	3.0	2.1	10.3	6.5
150	120	Jacksons Bourne	123	......	†3.0	3.3	3.5	11.7
18½	14½	James (M.) Ind. 20p	18½	......	20.75	3.5	5.8	11.1
149½	108	Jardine M. SHK5	138	......	MQ82c	♦	5.6	♦
29	21½	Jentique	21½	−½	2.48	1.6	16.5	4.0
7	4½	Johnson & Barnes	5	......	—	—	—	1.9
200	135	Johnson Clnrs.	155	......	6.2	3.8	5.7	5.0
300	205	Johnson Mthy. £1	270	......	†8.5	2.9	4.5	9.2
57	39½	Jourdan (T.) 10p	52	......	4.2	0.6	11.5	20.2
75	63	Kalamazoo 10p	63½	−½	3.75	1.6	8.4	10.7
133	98	Kelsey Inds.	128	......	6.0	4.1	6.7	5.2
72	58	Kennedy Sm. 10p	62	+2	t2.8	3.7	6.4	8.2
362	225	Kershaw (A.) 5p	285	−5	h21.75	0.6	10.9	(38.5)
75	69	Kleen-E-Ze Hldgs.	75	......	d4.5	2.1	8.6	7.8
82	67	L.C.P. Hlds.	75	......	†h3.67	2.3	7.0	7.8
28	16	L.K. Ind'l. Ins.	16	......	1.5	—	13.4	—
32	25	L.R.C. Int. 10p	28	......	2.23	1.6	11.4	8.6
64	50	Lawtex	51	......	†3.56	4.5	10.4	2.3
164	134	Lead Inds. 50p	161	......	9.66	2.7	8.6	5.6
88	82	Leadenhall Sterlg.	83	......	3.12	♦	5.4	♦
53	46	Le Bas (Ed)	52	......	1.93	2.9	5.3	7.2
255	229	Lep Group 10p	250	......	†12.5	2.3	7.1	7.5

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
165	78½	Anglo-Dominion	165	+5	—	—	—
97	57	Barymin	57	−1	—	—	—
16	12	Burma Mines 17½p	15	......	0.62	♦	6.0
502	320	Cons. Murch. 10c.	340	......	M0180c	1.8	16.8
585	325	Northgate C$1	355	......	—	—	—
485	327	R.T.Z.	368xd	+1	15.0	q3.3	5.8
33	16	Robert Mines	22	......	—	—	—
58	26	Sabina Inds. C$1	37	......	—	—	—
650	411	Tara Exptn. $1	427	−3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- Regional price.
- ‖ No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	29	......
Bertam	19	......
Bdg'wtr. Est. 50p	425	......
Clover Croft	68	......
Craig & Rose £1	£16½	......
Fife Forge	34	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£26	+1
Higsons Brew.	88xd	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	180	+3
Pearce (C. H.)	455xd	+15
Peel Mills	40	......
Sheff. Refrsht.	103	+3
Sindall (Wm.)	155	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£87⅞	+⅛
Nat. 9¾% 84/89	£75¼	+¼
Fin. 13% 97/02	£89½	−⅛
Alliance Gas	43	......
Arnott	371xd	......
Carroll (P.J.)	52	......
Clondalkin	109	−1
Concrete Prods.	75	......
Heiton (Hldgs.)	35	+1
Ins. Corp.	245	......
Irish Ropes	60	......
Jacob	32	......
T.M.G.	105	......
Unidare	100	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	38	Ladbroke	25	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr.	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
E.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	52
C.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd.	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security.

FINANCIAL TIMES

Friday May 16 1980

BOYCOTT THREATENS BONN-MOSCOW RELATIONS

Germans to miss Olympics

BY JONATHAN CARR IN BONN

WEST GERMANY'S national Olympic Committee yesterday voted against taking part in the Moscow Games in July, thus providing the major support so far in Europe for the U.S. boycott.

The action was promptly welcomed by the Bonn Government and all the main political parties there. But it is likely to increase tension with Moscow and may endanger the visit which Chancellor Helmut Schmidt had been expected to make to the Soviet Union early this summer.

In Europe, West Germany now joins Norway, Liechtenstein and Monaco in agreeing on a boycott. The German decision may well strongly influence other national committees which have still to vote, including Italy, Holland, Belgium and Spain.

The committee's decision, by 59 votes to 40, came after a vigorous and at times emotional four-hour debate in a Dusseldorf hotel. Its entrance surrounded by groups of rival demonstrators.

Although the West German President, Government and Parliament have all spoken out recently against going to Moscow, it came as a surprise when the clear majority of the committee favoured a boycott.

It had been expected that the decisions of the British and French Olympic committees to take part in the Games, might have swayed several German sports officials and brought a closer vote.

The Bon Government has long made clear its view that it was up to the Soviet Union to make the presence of Western athletes at the Olympics possible by withdrawing its armed forces from Afghanistan. Moscow's failure to do so led the Cabinet and Parliament on April 22 to recommend support for the boycott. The matter had hung in the balance since then.

Increased criticism of German policy in the Soviet media is now expected, and the decision *may sect general bilateral* relations.

Chancellor Schmidt has been invited to visit Moscow in the early summer for talks with the Soviet leader, Mr. Leonid Brezhnev. He has made it clear, however, that he wants rst to discuss the visit with other national leaders when they meet in Venice on June 22 and 23.

This would leave less than a month before the Games open on July 19. It is felt likely in Bonn that Mr. Brezhnev will hardly wish to receive so close to the opening ceremony the leader of a country whose athletes are boycotting the Games.

A chance for early German-Soviet talks not only on Afghanistan but on Iran, where Bonn feels Moscow could play a key role in obtaining the release of the U.S. hostages, now seems unlikely.

It is also recognised that sporting contacts with other Eastern European countries, particularly East Germany, are likely to suffer. This is believed to have been stressed during Wednesday's talks between Willi Daume, President of the West German national Olympic Committee, and Manfred Ewald, a leading East German sports official.

Rupert Cornwel' adds from Rome: Herr Schmidt, was due to hold talks with Italian Ministers in Rome today. These were expected to concentrate on ways of improving East-West relations and on the search for agreement on Britain's EEC budget controversy.

U.S. rail rivals propose merger

By Ian Hargreaves in New York

SANTA FE Industries and Southern Pacific yesterday proposed terms for a friendly $1bn (£435m) merger which would create one of the largest railway systems in the U.S.

The two long-time rail antagonists have extensive non-rail interests. Santa Fe has substantial oil and natural resources operations. Southern Pacific has interests in communications and insurance.

Both are strongest in the Western states and have been in fierce competition for almost a century. Their combined railways would create a powerful unit in the West and Midwest, between Chicago and St. Louis and the West coast.

The merger, like lal combination proposals in the closely-regulated U.S. rail industry, will probably be drawn out.

It will have to be approved by the Interstate Commerce Commission. This has been much more positive towards mergers under its liberalised leadership last year, but it will be under considerable pressure to prevent the creation of monopoly transport rights in large areas of the West.

"At this stage of the process, the chances of a merger of this kind can never be better than 50-50," said Mr. Robert Long, a railway analyst for First Boston Corporation.

The new company would be called Santa Fe Pacific Industries, with a board of 12 Santa Fe-appointed directors and eight Southern Pacific nominees. Its headquarters would be in Chicago, where Santa Fe is based.

Target date for completion of a definite merger agreement is August 31. The terms of the deal call for each Southern Pacific common stock share to be exchanged for 0.55 of a Santa Fe common stock share, plus an issue of new convertible preference stock. At today's prices, the deal would be worth more than $1.1bn in cash terms.

One encouraging factor is that the largest rail competitors in the Western states are embroiled in merger negotiations with the Interstate Commerce Commission. They are thought unlikely to raise objections to a rival combination.

A merger between Burlington Northern and St. Louis-San Francisco is being challenged by a minor railway company, but is expected ot be approved.

Santa Fe had sales of $2.5bn and net income of $228m last year. Southern had sales of $2.6bn and net income of $180m.

THE LEX COLUMN

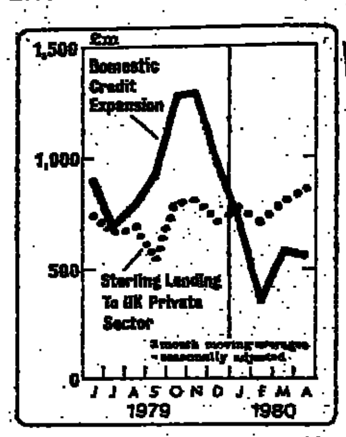
A record surge in bank lending

The most spectacular feature of the April money supply figures is the contrast between the mere 0.3 per cent rise in sterling M3, seasonally adjusted, and the highest adjusted bank lending figure ever—£1.55bn, or £1.78bn including sterling lending to the overseas sector. The true monetary picture must be somewhere between these xtremes. Sterling M3 continues to be depressed relative to domestic credit expansion, by external and foreign currency items (£300m last month) and by another £200m increase in banks' non-deposit liabilities. Equally, the very high bank lending is to some extent the counterpart of the public sector's freak surplus during the month, itself the result of the forward sales of BNOC crude oil.

In the middle of this manic-depressive spectrum, the domestic credit aggregate perhaps gives a glimpse of the real world. It is expanding at about £600m a month—well down on the levels of last autumn, but still a good 1 per cent of the money stock, three times the recent rate of sterling M3 growth.

The public sector is now returning to deficit and bank lending should ease in line. But the figures hardly suggest that underlying credit demand is slowing, and if domestic credit growth is to be held at the levels of the last few months, let alone reduced, heavy sales of public sector debt will have to continue.

Index fell 2.2 to 437.8



Grand Met/Liggett

On the face of it, it is slightly surprising that Grand Metropolitan, having originally wanted to buy Liggett's Austin Nichols drinks business, should be so keen to buy the rest of Liggett now that Austin Nichols has been sold to Pernod Ricard. Sour grapes or not, Grand Met now maintains that Liggett's other distributors will provide an adequate vehicle for its ambitions in the U.S. drinks market.

The new bid—$570m cash, offset by some $130m of liquid funds in Liggett's balance sheet following the Austin Nichols sale—will do unpleasant things to Grand Met's ratios, bringing a further £100m of goodwill into its balance sheet and reducing tangible net worth to around £630m. Stripping out goodwill is perhaps unduly harsh on Grand Met, and besides, the group is planning a substantial property revaluation: at any rate its bankers seem quite happy.

The fall in dollar interest rates will sharply reduce the costs of financing the bid, and Liggett's own debt is in cheap debentures. In addition, Liggett provides every opportunity for further de-gearing, even if only the tobacco businesses are sold. *In the meantime*, it is operating with a modest cash flow surplus.

Trafalgar House

By cutting its shipping losses by nearly £5m in the first six months — though the division still stayed £1.6m in the red — Trafalgar House has managed to push group pre-tax profits up from £16.3m to £19.3m. The property division, which relies on a lumpy stream of disposal profits, had a quiet period, but the £3.1m drop in profits to £5.9m does not seem to be representative of the underlying trend. Activity is high, and the second half should be boosted by part of the proceeds from the sale of the Chiswell Street development which should go through very soon. Construction, too, has a solid order book, especially in the UK, but in the first half its contribution eased from £11.1m to £10.7m. The division would have been ahead, however, had it not been for the aftermath of the engineering strike.

The shipping improvement reflects a recovery on the cargo side and a pickup by the QE2, but the strength of sterling has brought continuing problems for the refrigerated fruit carriers which are out on unfavourable dollar denominated charter agreements. There is progress in publishing, however, and the strength of newspaper advertising is more than making up for a relatively sluggish phase at Morgan-Grampian.

Given a second half property boost, pre-tax profits could move towards £50m for the full year and on the modestly higher forecast dividend the prospective yield at 70p is 10.5 per cent.

European Ferries

After the decline at the half way stage, European Ferries has staged a strong recovery in the second six months to end the year with pre-tax profits 4 per cent ahead at £27m. However, tight conditions on the shipping side have meant that, even adding back £8m of bad debt provisions and the £600,000 direct losses due to the difficulties in introducing computerised operations, the division is barely ahead. Harbour earnings were unchanged and the stagnation was avoided only because of the contribution of the property side, which has seen more than 50 per cent to £8.1m.

With the Holborn property development due to be sold in the next six months, property profits in the current year are likely to be in the region of £15m. Meanwhile, in spite of the discounting in fares, higher passenger and freight volumes should allow shipping profits to rise from £18m to £20m. to produce an overall pre-tax figure of about £37m. This prospect no doubt supported the 9p rise in the share price yesterday to 135p, helped by the 46 per cent rise in the dividend. The shares now yield a shade below 5 per cent and the prospective p/e is about 4 fully-taxed, although the group will pay no mainstream corporation tax for at least two years.

Imperial/HoJo

Imperial Group is, after all, going to press ahead with its bid for Howard Johnson—in yesterday's brief statement it is not going to end the uncertainty and concern which this deal has created. A bid of $28 a share looked expensive when it was first announced eight months ago—and developments in the U.S. economy since then have done nothing to change this view. Then in March, Imperial said that there were still questions to be answered about regulatory approvals and about "certain other aspects of the business."

Unfortunately, the reasons for this hesitation have still not been specified. The most telling comment yesterday came in the stock market, where Imperial shares bounded with relief and Imps' slipped 2p to 76½p.

Midland aims at working classes

By Michael Lafferty, Banking Correspondent

MIDLAND BANK will become the first of the big clearing banks to seek the business of Britain's large unbanked market. It is to direct a major advertising campaign at working-class people.

In the next year it is likely to spend several million pounds in TV and popular Press promotion of banking services. The campaign starts today with a series of TV commercials throughout England and Wales.

Midland is aiming its campaign at specifically manual workers in the C2 socio-economic category, only about 30 per cent of whom have bank current-accounts.

In recent months, increasing attention has focussed on Britain's unusually large unbanked market, where only about 55 per cent of adults are estimated to have bank current-accounts.

Barclays Bank, largest of the clearers, has led in public statements about the issue, and is expected to announce its own plans to attract working-class people to bank services over the coming year.

Mr. Frank Pearce, Midland's marketing manager, said yesterday that the campaign represented a major development in selling clearing-bank services to working people. The campaign was designed to create the feeling in peoples' minds that the Midland was a welcoming bank, anxious to meet their needs, he said.

The TV cartoon-type commercials include four separate films aimed at different market segments: a film featuring a young man on a motor-cycle is designed to attract young men working in factories; one featuring household disasters is aimed at new home-makers; a third, featuring a car, children and mothers-in-law is meant to appeal to families; the fourth is aimed at young girls working in factories and shops.

The cost of the first advertising series scheduled to run six weeks, is put at £900,000. Midland said there would be at least one repeat.

As part of its overall plan for the UK retail-banking market, Midland is involved in a major reorganisation of its branch system.

Sadat rejects talks on autonomy for Palestinians

BY ROGER MATTHEWS IN CAIRO

PRESIDENT ANWAR SADAT of Egypt last night reversed his decision to resume negotiations with Israel on Palestinian autonomy.

Mr. Sadat has said in a major speech on Wednesday that in response to a personal request from President Jimmy Carter of the U.S. that he would resume the talks. Six days earlier he had suspended them because of lack of progress.

The latest reversal in Egypt's position came essentially because of the law passed by the Israeli Knesset reaffirming that Jerusalem, including the occupied Arab eastern sector, would remain united under Israeli sovereignty for ever.

The timing of the Knesset vote appears particularly to have angered Mr. Sadat as it came just as he was launching into his four-hour speech on Wednesday. The new law means that one more obstacle is placed in the way of any attempt to change the status of East Jerusalem, which was annexed by Israel after the June War of 1967.

Dr. Boutros Ghali, the Egyptian Deputy Foreign Minister, said last night that the Israeli attitude showed that the will for peace did not exist in Israel. Egypt was not setting preconditions, and was "ready to negotiate, but not in this atmosphere," said Dr. Ghali. He stressed that President Sadat had not known of the new Israeli law on Jerusalem when he made his Wednesday speech.

The Camp David accords under which Egypt and Israel are supposed to be negotiating, were based on United Nations Resolution 242. This provided for Israel's withdrawal from occupied Arab territory, including Arab East Jerusalem, said Dr. Ghali.

Although agreeing that another crisis had been reached in the autonomy negotiations, Dr. Ghali was careful to leave the door open for conciliation by the United States.

The target date for agreement on Palestinian autonomy was set nearly a year ago for May 26. President Sadat admitted earlier this week that it would now be impossible to meet that date. He has warned in the past that a "new situation" would arise if this deadline was not adhered to.

Chapple bid for steel managers

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNION rivalries within the Brithsi Steel Corporation could be exacerbated by a proposed merger announced yesterday.

Mr. Frank Chapple's Electricians' Union has made an unexpected bid for the Steel Industry Management Association. Agreed merger terms are to be put to a ballot of the association's 12,000 members in about six weeks.

The association had been courted for years by the main steel union, the Iron and Steel Trades Confederation, which has about 26,000 white-collar members.

Mr. Bill Sirs, general secretary, warned last night that the merger would lead to further fragmentation in the industry, which would "do it no good at all."

The merger would give the steel managers the TUC affiliation they have long sought. It would also give them a voice in the talks aimed at challenging British Steel's contraction plans.

The association would have the status it neds to try again for a seat on the British Steel board, alongside the TUC unions. British Steel seems anxious to defuse the revolt among its managers and would *almost certainly be sympathetic.*

But the merger terms will surprise most members. One said that the association would have to work hard to get the vote it wanted.

Last year Mr. Chapple's white-collar section EESA reunited the Association of Managerial Electrical Executives in the power supply industry, and the UK Association of Professional Engineers. EESA's claimed membership is more than 40,000.

The plan would make the association a steel industry arm of EESA. Mr. Bob Muir, the association's general secretary, would become a national secretary, and would take the EESA seat on the industry's important national craftsmen's co-ordinating committee.

Liggett shares rise $6 to $67.50

BY IAN RODGER

SHARES OF Liggett, the U.S. tobacco and drinks group, jumped $6 to $67.50 in heavy early trading in New York yesterday following Grand Metropolitan's announcement on Wednesday night of an increase in its take-over bid from $50 to $69 a share.

Liggett directors, who had vigorously opposed the British leisure company's original $415m bid, refused to comment publicly on the new $570m offer but reportedly told Grand Met they were pleased.

Standard Brands, the U.S. food group, which had made a $65-a-share agreed bid for Liggett *shares early this week*, announced soon after Grand Met's new offer, that it was withdrawing from the running.

Mr. Ross Johnson, chairman of Standard, congratulated Grand Met "on the apparent purchase of a fine American enterprise."

Mr. Stanley Grinstead, deputy chairman of Grand Met, flew to New York yesterday. He said on Wednesday night that he hoped the Liggett Board would recommend the new bid and that Grand Met could proceed. "I have spokento Liggett and they said they were pleased to hear of our new bid but they could not comment until their Board met," Mr. Grinstead said.

The offer will expire on Thursday, May 29, unless *extended. Grand Met shareholders* will be invited at an extraordinary general meeting on May 23 to approve the terms.

Mr. Grinstead said the company had arranged to borrow $400m to finance part of its bid, although in its original offer circular Grand Met said it had lined up $350m in bank loans. Since the original bid, the U.S. Federal Reserve Board has asked the Bank of England to discourage British banks from lending money to finance take-overs of U.S. companies.

The remainder of the cost of the bid will be financed from the company's own funds. If the offer succeeds, the company will also acquire the $97.5m paid to Liggett last week by Pernod Ricard, teh French group which bought Austin Nichols, the Liggett drinks subsidiary.

Weather

UK TODAY

DRY and sunny, warm.

London, Channel Isles, S.E. and N. England, Midlands, Borders, Edinburgh, Dundee, Moray, N.E. Scotland

Dry, sunny. Max. 19C (66F), 12C (54F) on coasts.

S.W. England, Wales, N.W. England, I. of Man, rest of Scotland, N. Ireland

Dry, sunny. Max. 20C-22C (68F-72F).

Orkney, Shetland

Dry, mainly sunny. Max. 12C (54F).

Outlook: Little change.

Long-range forecast to mid-June: Dry at first, rain before end of May, thunderstorms in S. Very warm in June.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Aleccio	R	16	61	Lisbon	S	21	70
Algiers	C	18	64	London	S	14	63
Amsdm.	S	17	63	Luxmbg.	S	14	57
Athens	C	18	64	Luxor	F	35	95
Bahrain	S	30	86	Madrid	F	19	66
Barclna.	S	19	66	Majorca	F	20	68
Beirut	S	21	70	Malaga	S	20	68
Belfast	S	19	66	Malta	F	20	68
Belgrd.	F	7	45	M'chstr.	S	20	68
Berlin	F	13	55	Melbne.	C	19	66
Biarritz	C	13	55	Milan	R	13	55
Bmghm.	S	19	66	Mntreal.	C	10	50
Blackpl.	S	21	70	Moscow	R	5	41
Bordx.	C	18	64	Munich	F	13	55
Boulgn.	S	17	63	Nairobi	S	23	73
Bristol	S	20	68	Naples	R	17	63
Brussels	S	17	63	Nwcstl	S	15	59
Budpst.	C	14	57	N York	S	17	63
B. Aires	R	19	66	Nice	R	15	59
Cairo	S	26	79	Nicosia	S	22	72
Cardiff	S	19	66	Oporto	S	19	66
Cas'b'ca	S	20	68	Oslo	S	23	73
Cape T.	S	16	61	Paris	S	18	64
Chicago	C	9	48	Perth	C	21	70
Cologne	F	17	63	Prague	F	10	50
Cpnhgn.	F	11	52	Reykjvk.	R	8	46
Dublin	S	16	61	Rhodes	F	21	70
Dbrvnk.	R	13	55	Rio J'o	S	24	75
Ednbgh.	S	15	59	Rome	R	14	57
Faro	S	20	68	Salzbrg.	F	13	55
Florence	C	14	57	Singapr.	S	28	82
Frankft.	S	14	57	Stckhm.	C	14	57
Funchal	C	19	66	Strasbg.	S	14	57
Geneva	C	12	54	Sydney	R	17	63
Gibrltr.	S	22	72	Tangier	S	21	70
Glasgow	S	21	70	Tehran	S	27	81
G'rnsey	S	15	59	Tel Aviv	S	22	72
Helsinki	C	16	61	Tenerife	C	15	59
H. Kong	S	28	82	Tokyo	R	23	73
Innsbrk.	F	15	59	Toronto	S	10	50
Invrnss.	F	17	63	Tunis	C	20	68
I. o.Man	S	15	59	Valencia	F	22	72
Istanbul	C	19	66	Venice	C	15	59
Jersey	S	18	64	Vienna	F	12	54
Jo'burg	S	21	70	Warsaw	C	10	50
L. Plms.	C	20	68	Zurich	F	13	55

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Muskie

Secretary and M. Jean Francois-Poncet, the French Foreign Minister, are here representing the other two signatories to the treaty, and both are also expected to have meetings with Mr. Gromyko.

Some co-ordination of approach to the contacts with Mr. Gromyko is expected from a breakfast meeting this morning between Lord Carrington, M. Francois-Poncet and Mr. Muskie.

But the discussion will almost certainly include the EEC's reluctance to mount a full trade sanctions policy against Iran this weekend. Herr Hans-Dietrich Genscher, the West German Foreign Minister, will also be present at breakfast to hear Mr. *Muskie argue for a resolute stand by the* Community's Foreign Ministers when they take a final decision on the sanctions issue in Naples this weekend.

Bartlett confirms appeal

BY RAY MAUGHAN

MR. ALAN BARTLETT has written to shareholders in Newman Industries confirming his intention to appeal against the High Court judgments which led to his dismissal as chairman in February.

The action was brought on behalf of Newman shareholders by Prudential Assurance, which alleged that Mr. Bartlett had made a financial gain by selling Thomas Poole and Gladstone China, of which he was chairman, to Newman. The High Court ruled that Mr. Bartlett had used "trickery and deception" to push through the purchase.

The engineering, electric motors and ceramics group announced yesterday that profits fell last year from £6.22m to £378,000, before heavy closure costs, expenses of £146,000 incurred in the legal action and significant provisions against the value of overseas investments, totalling £1.82m.

Mr. Bartlett was not able to comment on these results, "except that they must be viewed against a background of a very difficult economic climate and the legal action initiated by the Prudential which was in court from mid-June to mid-December of that year and required substantial administrative support.

"I know that I have done nothing wrong," the letter adds, "and that everything that I have done has ben in the best interests of the company. I am confident that despite the non-existence of funds against an adversary of unlimited wealth, the appeal will be successful."

Continued from Page 1

MLR

a very high demand for borrowing from manufacturing industry, and also still some considerable demand from the private sector. While that demand remains as high as it is, the interest rate cannot come down."

The high lending figure in April was partly due to special factors. Domestic credit expansion was a more moderate £671m, down from £709m in March and below the average for the second half of last year.

Bank lending in April was inflated by heavy borrowing by companies to finance value-added tax bills and other payments to the Government. These payments helped give the Government a large cash surplus last month.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.